

HC43ATI1

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

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3 UNITED STATES OF AMERICA,

4 v.

S4 15 Cr. 867 RMB

5 MEHMET HAKAN ATILLA,

6 Defendant.

7 -----x

8
9 December 4, 2017
10 9:15 a.m.

11
12 Before:

13 HON. RICHARD M. BERMAN,

14 District Judge
15 and a jury

16
17 APPEARANCES

18 JOON H. KIM,
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20 Southern District of New York
21 MICHAEL D. LOCKARD,
22 SIDHARDHA KAMARAJU,
23 DAVID W. DENTON, JR.,
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MS. ASIYE KAY, Turkish Interpreter
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MR. M. TEKIN ESENDAL, Turkish Interpreter
MR. BULENT BULUT, Turkish Interpreter

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(Pages 633-647 SEALED by order of the Court)

THE COURT: We're going to do a head count of the jurors.

The jurors are all here and we're going to start momentarily.

MR. KAMARAJU: Your Honor, should we bring out Mr. Zarrab first?

THE COURT: Hold on one second.

(Jury present)

THE COURT: Good morning, everybody. Nice to see you. We're going to continue with the direct examination of Mr. Zarrab.

THE DEPUTY CLERK: Before we begin, I'd like to remind you that you're still under oath.

THE WITNESS: Yes.

MR. KAMARAJU: May I proceed, your Honor?

THE COURT: Yes.

REZA ZARRAB,

called as a witness by the Government,

having been previously sworn, testified as follows:

DIRECT EXAMINATION (Continued)

BY MR. KAMARAJU:

Q. Good morning, Mr. Zarrab.

A. Good morning, sir.

Q. Now, do you recall when we broke we were talking about some

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1 telephone calls? Do you remember that?

2 A. Yes, I remember, sir.

3 Q. I'd like to show you what's already been admitted as
4 Government Exhibit 1002-T and 1002. Do you have those on your
5 screen?

6 A. Yes, sir.

7 MR. KAMARAJU: Can we put it up on the jurors' screens
8 as well, please.

9 Q. So, let's start at the top there. Do you see where
10 Suleyman Aslan writes, "The totals may not be suitable for
11 actual food exports."

12 A. Yes, I see that, sir.

13 Q. What did you understand him to be saying there?

14 A. Here he's saying that the wire amount that came from Iran
15 to my food company, since that amount was too large, he's
16 saying that it does not match up with an actual food trade
17 amount.

18 Q. Do you see that he says, "I'm having them look at this."

19 A. Yes, sir.

20 Q. What did you understand him to be telling you there?

21 A. That he's having that looked into it, that he and his team
22 are looking into it.

23 Q. Who typically was part of Suleyman Aslan's team?

24 MS. FLEMING: Objection. Foundation.

25 THE COURT: Overruled.

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1 A. It was Mr. Suleyman Aslan, and also his foreign
2 transactions people, and also that would be Mr. Hakan Atilla,
3 Mr. Levent Balkan, depending on the personnel that was working
4 there at that time.

5 Q. Do you see how you respond, "I will divide the figures even
6 more."

7 A. Yes, I see that, sir.

8 Q. What did you mean by that?

9 A. What I mean by that is I would tell them to send numbers
10 that are smaller than what had been sent. And I'm just saying
11 we would divide them further.

12 Q. Why was that necessary?

13 A. Just as Mr. Suleyman had said, for this to appear to be
14 compliant with an actual food trade transaction.

15 Q. If we can look down at the next message, where you say, "If
16 you see fit, we will make the numbers 5 million."

17 A. Yes, I see that, sir.

18 Q. What were you saying there?

19 A. What I'm saying to Mr. Suleyman, that if you see fit, we
20 can make it so that the large transfer amounts coming from Iran
21 could be in segments of 5 million each.

22 Q. How does he respond?

23 A. He says "That will be better."

24 Q. Do you see where you then say, "I'll have to give a lot of
25 bills of lading for big amounts anyway."

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1 A. Yes, sir, I see that.

2 Q. What did you mean there?

3 A. What I meant there was to say, as I said before, these
4 ships were small, and in order to show this shipment, I would
5 need to provide many bills of lading to show that many ships
6 were -- as if they were taking this shipment.

7 Q. Why would you need to submit many bills of lading?

8 A. As I mentioned before, these ships that were going from --
9 or going to Iran were small tonnage ships. The big tonnage
10 ships required bills of lading that could be traced, and the
11 smaller ships could not be traced in going from Dubai to Iran.
12 That's why the bills of lading would be needed.

13 Q. Why would it be a problem that larger vessels could be
14 traced?

15 A. Because no food product was ever being sent.

16 Q. How does he respond?

17 A. He says "Bills of lading are okay, but," then he asks, "can
18 you obtain inspection certificates."

19 Q. What are inspection certificates?

20 A. It's a company that would come and do an inspection on the
21 ship as to what products were on the ship, and also the quality
22 of the goods. So normally it is a company that assesses the
23 quality of the goods.

24 (Continued on next page)

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1 Q. Okay. And what did you understand him to be asking you
2 when he asked you whether you could obtain those?

3 A. So he's asking me, what can you obtain? What can you
4 bring? That's what we're talking about in our conversation.

5 Q. And how did you respond?

6 A. I said, of course.

7 Q. Now, would you be able to obtain inspection certificates if
8 you weren't actually loading food on your vessels?

9 THE INTERPRETER: Could you repeat that question,
10 please.

11 Q. Sure. Would you be able to obtain inspection certificates
12 if you weren't actually loading food onto your vessels?

13 A. During that time period, we could not obtain any anyway.

14 Q. Why not?

15 A. Because there was no product or food being sent. There was
16 just no product out there.

17 Q. Do you see where he says: "Will be good; so let's make the
18 amounts smaller, like five to six million;" and then in the
19 next message, he says: "You had said you were loading smaller
20 ships"?

21 A. One minute. Yes. Yes, I see where he says that, "Will be
22 good; so let's make the amounts smaller, like five to six
23 million."

24 Q. Do you see where he goes on to say: "You had said you were
25 loading smaller ships"?

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1 A. Yes.

2 Q. What do you understand him to be saying there?

3 A. In previous meetings as we talked about the system, I had
4 told them that big ships could be a problem in terms of bills
5 of lading and traceability. So he knew that I would be making
6 shipments to Iran on smaller vessels, which would not be
7 traceable. So he is saying, you had already told me that you
8 would be using smaller ships, and that's what we did. So he
9 refers to those vessels, basically.

10 Q. And had you discussed using smaller ships with the
11 defendant?

12 A. Of course. The method that we had reached an agreement on
13 with Mr. Suleyman was the method that had been suggested by
14 Mr. Hakan, and this is the method that was agreed on.

15 Q. Now --

16 A. And -- excuse me.

17 Q. Sorry?

18 A. And this was a part of that method.

19 Q. Now, what do you say in response?

20 A. I say: "Of course my general manager."

21 Q. And do you see where he responds: "It will be more
22 consistent that way"?

23 A. Yes, sir.

24 Q. What did you understand him to be saying there?

25 A. What he's saying here is that it would be more consistent

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1 and more real, and it would appear to be as if this is actual
2 trading if we were to use the smaller vessels, if we were to
3 reduce the amount. That way, the bills of lading would be more
4 consistent with the trade.

5 Q. Okay. And do you see then, after you respond, he says
6 "Carg and Bun's figures are like that"?

7 A. Yes, sir, I see that.

8 Q. Okay. What did you understand him to be saying there?

9 A. He's saying that Cargill and Bunge have numbers such as
10 these. These are two companies, large companies, that do food
11 trade with Iran, and he's saying that their numbers are like
12 that. What he's say saying is since these companies are
13 involved in actual food trades, these are their numbers and you
14 should do it like their numbers are.

15 Q. Are you familiar with Cargill?

16 A. I had heard about them.

17 Q. And how about Bunge?

18 A. Yes, I had heard about Bunge as well.

19 Q. Were they competitors of yours?

20 A. Yes and no.

21 Q. Okay. Could you explain what you mean?

22 A. I'll try and summarize the best I can. No, we were not
23 competitors because they were sending real food and we were
24 not.

25 And the reason why I said, yes, we were competitors,

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1 is this. Since they were also using the Iranian money that's
2 in Halkbank for their business, they were lowering the amount
3 that I was going to get out of Halkbank and utilize. In other
4 words, the amount of money that would be left in Halkbank to be
5 used, the higher that amount, it was better for me.

6 Q. And to be clear, Cargill and Bunge, they were depleting
7 that amount?

8 A. Of course. Cargill and Bunge were getting money out of
9 Halkbank as well, and they were utilizing those funds out of
10 Halkbank. And as they used, that was depleting the amount for
11 sure.

12 Q. I'd like to show you what's been marked as Government
13 Exhibit 316-T. We listened to this call and this transcript
14 already. Can you take a moment to look at that. If we could
15 turn to page 6, please.

16 Now, near the bottom, do you see where you say: "I
17 mean, I want -- I mean, I want to say something, for instance.
18 I go to take care of SGS, then in no time, they call back and
19 say, 'no, it should be this.' I resolve that, then two hours
20 later they call back and say, 'no, it should be like that.'"

21 A. Yes, I see that, sir.

22 Q. What did you mean by that?

23 A. During this time frame, there was a problem with the
24 transaction at the bank, and it was a serious problem. And
25 because of the seriousness of the problem, the low-rank

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1 employees in the bank had become suspicious, and due to that,
2 more documents were being requested by them in addition to what
3 had been discussed and what had been agreed upon.

4 And in relation to that, what I'm saying here is that
5 they asked for SGS inspection documents. So I go out, I take
6 care of that, I come back, and in no time, they happen to be
7 asking for something else, then.

8 Q. Okay. And we'll come back to the problem in a second. Do
9 you see where he responds: "Okay, Mr. Reza. I'll gather up all
10 my colleagues tomorrow and go over these one by one. Then I'll
11 tell you clearly which documents are needed and which are not.
12 In fact, I'll even get the items removed that you had not been
13 asked to provide in the beginning. That's because we got into
14 this business based on that, we have started doing this work
15 based on that"?

16 A. Yes, I see that, sir.

17 Q. What did you understand him to be saying there?

18 A. What Mr. Suleyman is referring to here is that he does not
19 understand why these documents were being requested as well,
20 and he says, I will get my team together and I will look into
21 those. He's saying that you -- and by "you" he's referring to
22 me. He's saying there are things that we had agreed upon in
23 the beginning. And I'll continue once that's translated.

24 So he's saying that you got into this business, and we
25 got into this business upon that agreement, and we need to and

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1 we will continue in that understanding. And, in fact, what
2 he's also saying here is that any document that they're asking
3 for that you had not agreed to in the beginning, I'm going to
4 ask them to take those documents out and get them out of what
5 they had requested as well.

6 Q. Now, you referred to an agreement. What agreement are you
7 referring to?

8 A. I'm referring to the method and system that we had agreed
9 upon.

10 Q. And when you say "that we had agreed upon," who are you
11 referring to?

12 A. I'm referring to the method that was designed with
13 Mr. Suleyman, myself and Mr. Hakan Atilla.

14 Q. And approximately when was that agreement reached?

15 A. So just as we are about to start the food trade, that we
16 come to an agreement on dates, let's do a correction. What I
17 meant was I'm talking about the dates where we had come to an
18 agreement right before the final food trade plan had been put
19 in place and that we had agreed upon. And I would think that
20 would be approximately fourth or fifth month of the year.

21 Q. Okay. Now, do you see on page 7, where you say -- it's
22 near the bottom, the third box down -- "I mean, I'm trying to
23 create a pool over there, you know. Otherwise, it won't be
24 sufficient for all of this"?

25 A. If I can look at the transcript from just a little higher

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1 than this to see what this sentence was. By looking at the
2 partial sentence here, I can't tell. If we can make it just a
3 little smaller so I can see. This is good. I understand.

4 So since we had turned to food completely after gold,
5 so I'm talking about that on the phone, and I'm saying since
6 the entire pool now consists of food and I'm saying if they
7 continue like this, if they continue to change the documents on
8 me, I cannot keep up with it.

9 Q. Now, if we can turn the page, please, do you see at the
10 top, you say: "I made a technical error there. For instance,
11 the numbers that we -- I sent were too high. I made a
12 technical error there"?

13 A. Yes, sir; I see that.

14 Q. What were you referring to?

15 A. What I'm saying here is that we had made a technical error
16 here by sending large numbers. So one of the technical errors
17 made was this one, and the second big technical error was that
18 in a wheat shipment, we had put on the Certificate of Origin
19 for the wheat as being Dubai. That was the second biggest one
20 we made.

21 Q. Why is that an error?

22 A. Because wheat doesn't grow in Dubai.

23 Q. And had you discussed that error with anybody at the bank?

24 A. Yes, with Mr. Hakan Atilla.

25 Q. And what did you discuss with Atilla about that error?

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1 A. So when some sensitivity arose during this time, Mr. Hakan
2 Atilla came to me and said, when the document shows the origin
3 of wheat as Dubai, in our meeting -- and in our meeting, what
4 he was saying was when the origin of the wheat shows Dubai,
5 that draws a lot of attention within the bank.

6 Q. And did he say why that was?

7 A. No. I already understood why that was.

8 Q. Now, did you say that was at a meeting that he said that?

9 A. No, I meant a meeting on the phone. It's a conversation on
10 the phone.

11 Q. Now, if we can continue down on page 8, do you see where
12 you say: "So we get stuck in the lower ranks. It's not
13 related to Mr. Hakan"?

14 A. Yes, sir.

15 Q. What did you mean there?

16 A. What I mean is that we're not getting stuck with Mr. Hakan
17 Atilla. We are getting stuck with lower-ranked employees.

18 Q. I'd like to go back to Government Exhibit 1002-T and 1002,
19 and we're on page 47. Do you see at the bottom there, where
20 Suleyman Aslan says: "I will make a small decrease in the
21 amount of commission for transit food trade"?

22 A. Yes, sir; I see that.

23 Q. What did you understand him to be saying there?

24 A. I had asked him previously whether the commission collected
25 by the bank for food transactions could be reduced or not. So

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1 here, he's responding to that, and he's saying that he would be
2 making a small amount of reduction in the commission for
3 transit food trade.

4 Q. Was the bank earning commissions on the transit food trade?

5 A. Of course. They were taking commissions from both the
6 gold, as well as the food.

7 Q. And what was the bank's commission rate?

8 A. The highest amount of commission that I paid was one
9 percent.

10 Q. Is that on a per-transaction basis?

11 A. I'm talking about the number that is in-coming into our
12 account. I'm talking about a percentage on the funds that are
13 coming in. So what I said was it would be one percent
14 commission on the highest amount coming in.

15 Q. Okay. Now, could we turn to page 50 on 1002-T, please, and
16 do you see where Aslan says: "Good morning, Mr. Reza.

17 Mr. Hakan will probably call you today. There are two
18 subjects: A, the company whose name starts with the letter V,
19 its business line is not compatible. If possible, please
20 change that. B, there is another incompatibility related to
21 the capacity of the ships that do the transportation"?

22 A. Yes, I see that, sir.

23 Q. What did you understand him to be saying there?

24 A. Mr. Suleyman is referring to the phone conversation that we
25 listened to at court on Friday, and he's saying that Mr. Hakan

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1 would be calling me about two topics. One of them is the
2 company that starts -- the company name that starts with V,
3 which refers to Volgam.

4 So they were talking about a mixup, where gold was
5 coming in instead of food or food was coming instead of gold
6 and they were referring to that mix up. In the phone
7 conversation, Mr. Hakan was telling me to change that. So what
8 Mr. Suleyman is referring to here is that phone conversation;
9 so that first one, and for the second one, he is saying that
10 there is some incompatibility related to the ships.

11 Q. Okay. And do you see then where he goes on to say: "Just
12 listen to him, then we will talk again"?

13 A. Yes, I see that, sir.

14 Q. And what did you understand him to be saying there?

15 A. Here, he is saying, just listen to Mr. Hakan, and if
16 anything happens after that, we'll talk about it.

17 Q. And who are you referring to when you say Mr. Hakan?

18 A. Mr. Hakan Atilla.

19 Q. And how do you respond?

20 A. I'm saying, good morning, my general manager. I will look
21 into both of these matters.

22 Q. Can we look at Government Exhibit 261-T number. Pull it up
23 on everyone's screens, please.

24 Now, do you remember this?

25 A. Yes, sir.

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1 Q. Was this the telephone call you were just testifying about?

2 A. Yes, sir.

3 Q. Now, do you see on page 2, where Atilla says: "A transfer
4 came in...from a different company. Umm, it is in your thing.
5 It is in TL, and is approximately four and a half million"?

6 A. Yes, I see that.

7 Q. What did you understand him to be saying there?

8 A. Just as I had said earlier, here, he is talking about an
9 incompatibility with the amount that had been sent by a company
10 and the content or the nature of the goods involved in this
11 transaction. In other words, he's saying that gold and food
12 transactions were getting mixed up.

13 Q. Okay. And can we look down to the next thing he says:

14 "Since the field of business does not match the nature of those
15 things that we are doing, can you change this to the other
16 side?" Do you see that?

17 A. Yes, sir, I see that.

18 Q. What did you understand him to be saying there?

19 A. He's saying that change the company that the money had come
20 in to.

21 Q. What do you mean by "change the company"?

22 A. So what he's saying here is that, as an example, if this
23 were to be a gold transaction and the money had come in to
24 Volgam, he's saying change that to Safir before that
25 transaction.

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1 Q. And why would you need to make that change?

2 A. Because one of the companies was involved in food and the
3 other one was for gold trade.

4 Q. Now, you mentioned Volgam a couple of times, what is that?

5 A. Volgam is one of the companies that I own and that I used
6 within Halkbank. It works with food products.

7 Q. Okay. And how do you -- do you see where you say: "Why
8 does it not match, Mr. Hakan"?

9 A. Yes, sir.

10 Q. What were you asking?

11 A. I'm trying to figure out why the transaction is not
12 matching up. I'm asking Mr. Hakan so that I can understand why
13 there is that.

14 Q. And how does he respond to you?

15 A. Mr. Atilla says: "Umm, it -- because Volgam's, Umm, well,
16 its field of business has to do with the other side mostly, as
17 you know, for the most part, the precious assets."

18 Q. What did you understand him to mean when he said "its field
19 of business has to do with the other side mostly"?

20 A. Mr. Hakan Atilla thought that Volgam was for gold because
21 that's what it was established for in the beginning. It was
22 being used for gold trade, but that had been changed to food.

23 Q. Why does it matter that Volgam had been used for gold
24 before?

25 A. Because that is not possible to have food and gold all

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1 within one company, and we had separated those as gold and food
2 in the business. In other words, technically it's possible,
3 the company could sell both gold and food, but we had chosen to
4 separate those.

5 Q. And why had you decided to do that?

6 A. This was completely my own personal choice, just so that
7 the two companies did not get mixed up. In other words, so
8 that the documentation for the incoming transactions, and as
9 far as how they would close the transactions at the bank would
10 be easier, so we can follow up on those in an easier way.

11 Q. And what do you say to Atilla in response?

12 A. I say: "No, we changed that, Mr. Hakan. We submitted the
13 related documents to the bank months ago."

14 Q. Can we turn to page 3, please, and do you see where Atilla
15 says: "Then there's the matters with the bills of lading" --
16 around the middle of the page -- "As you know, we had talked
17 about this with you previously"?

18 A. Yes, I see that, sir.

19 Q. What did you understand him to be saying to you there?

20 A. So he is about to get into a conversation about bills of
21 lading. This would be a topic related to the smaller ship
22 matter that we had discussed earlier.

23 Q. And when you say when you discussed earlier, what are you
24 referring to?

25 A. In the previous conversation, I had mentioned this method

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1 with the smaller ships, and that's what I'm referring to.

2 Q. Do you see where Atilla then says: "Umm, now, of course,
3 with regard to the vessels named in there regarding the loads,
4 their loads need to comply with their capacities"?

5 A. Yes, I see that, sir.

6 Q. What did you understand him to be telling you there?

7 A. So what he's saying here is that the ships that are
8 mentioned on the documentation by name, these ships need to
9 comply with their own capacities. We need to have ships with
10 the right capacity on the documentation. So the products that
11 were shown as being loaded did not match up with the capacity
12 of the vessels.

13 Q. Why would that be an issue?

14 A. Because then the fakeness of the documents would be pretty
15 obvious to the bank personnel, and that the trade is not real
16 trade would be pretty obvious.

17 Q. Do you see where he says next: "Now, these vessels, umm,
18 some of them are very large vessels"?

19 A. Yes, sir.

20 Q. What do you understand him to be referring to?

21 A. What he's saying is that the ships that are here appear to
22 be much larger than the one that you had mentioned before. He
23 says there are 50,000-ton, 80,000-ton, 90,000 ton ships here.

24 Q. And do you see down at the bottom where he says: "You
25 know, those small ones, the ones you had declared previously"?

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1 A. Yes, sir.

2 Q. And on the next page, he goes on to say: "That go in
3 between, these are not like those"?

4 A. So he's saying that these are large ships. These are not
5 like the small ships that I had mentioned going over to Iran.

6 Q. Do you see a little further down, where he says: "Umm,
7 therefore, umm, I would kindly ask that the guys take a look at
8 compliance between the loads and the tonnages"?

9 A. Yes, I see that, sir.

10 Q. And what did you understand him to be asking you to do?

11 A. Here, he is saying that the documents should be prepared
12 more carefully and that the staff members should care to ensure
13 that the loading amounts match up with the capacities.

14 Q. And what do you say in response?

15 A. I say: "Of course. Do you mean that they should look at
16 the ones involving large vessels?" I'm trying to figure out.

17 Q. What were you asking him?

18 A. So I'm trying to figure out what document had the error,
19 the large ships, the small ships? They all seemed to be mixed
20 up.

21 Q. And do you see where he responds: "Umm, they should look
22 at the opposite. The small ones as well. Now, for example,
23 the bill of lading may be somewhat doable, you know, with the
24 large vessels, since the vessel is large"?

25 A. He's saying they should look into both the big ship ones

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1 and the small ship ones, and he's saying that when the ships
2 are large, then there might be a possibility for a bill of
3 lading and that they should look into that. Or what he's
4 saying is that with the big ships, there might be a possibility
5 of larger tonnage capacity, but with the smaller ships, that
6 would not be possible.

7 Q. Okay. And do you see where he says: "As for the small
8 ones, the relatively smaller ones, such as vessels with
9 capacities between 13,000 and 14,000 tons, when their loads are
10 20,000, then that becomes different and odd"?

11 A. Yes, sir, I see that.

12 Q. What did you understand him to be telling you?

13 A. What Mr. Hakan Atilla is saying here is that you made it
14 appear as if you had loaded 20,000 tons on vessels with a
15 capacity of 13 to 14,000 tons, and when that happens, that just
16 becomes odd.

17 Q. Can we turn to page 5, and do you see just about the middle
18 of the page where Atilla says: "The load should match up"?

19 A. Yes.

20 Q. What did you understand him to be saying?

21 A. What Mr. Hakan Atilla is saying here is that the tonnage
22 capacity of the vessel should match up with the products that
23 you're saying you're loading onto that vessel. So what he's
24 saying is that you cannot load 20,000 tons of product onto a
25 14,000-ton-capacity vessel, and they should be very careful

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1 about that.

2 So he's saying write it down as if you had loaded
3 14,000 tons of product onto a vessel with 14,000-ton capacity.
4 He's saying that they should be compatible.

5 Q. I'd like to show you what's been marked for identification
6 as Government Exhibit 922. Do you recognize this document?

7 A. Yes, I recognize it, sir.

8 Q. What is it?

9 A. It's a customs declaration form, sir.

10 Q. Is this one of the forms you previously testified about?

11 A. Yes, sir. It is one of the documents that I had testified
12 about before.

13 Q. Was this used as part of your business?

14 THE INTERPRETER: Can you repeat that, please?

15 Q. Yes, let me rephrase that. Were these kinds of documents
16 used as part of your business?

17 A. Yes, sir. They were being used.

18 MR. KAMARAJU: Your Honor, the government would offer
19 Government Exhibit 922.

20 MS. FLEMING: Objection, your Honor, foundation.

21 THE COURT: I'll allow it.

22 (Government's Exhibit 922 received in evidence)

23 MR. KAMARAJU: Can we please publish.

24 THE COURT: Yes.

25 BY MR. KAMARAJU:

HC4PATI2

Zarrab - Direct

1 Q. So do you see at the top right there where it says, Dubai
2 Customs?

3 A. Yes, I see that, sir.

4 Q. What's that a reference to?

5 A. It's the customs in Dubai.

6 Q. Okay. And why would you use forms related to Dubai customs
7 as part of your business?

8 A. Because the food was being declared as if it was going from
9 Dubai.

10 Q. And what's the purpose of this form?

11 A. The purpose of this form is to show the name of the vessel,
12 what was loaded and that the product had been loaded on the
13 ship, and the customs, where the loading had been carried out.

14 Q. Who typically completes this form?

15 A. It would be the staff members that work in my company.

16 Q. Would these forms be submitted to Halkbank?

17 A. Yes, sir.

18 Q. Let's walk through some of the fields that are in here. Do
19 you see the field that says, Final Destination?

20 A. Yes, sir.

21 Q. What's that field supposed to represent?

22 A. It's the final destination point or the country that the
23 product was destined for.

24 Q. So what typically would be in this field as part of your
25 food business?

HC4PATI2

Zarrab - Direct

1 A. Iran.

2 Q. Was any food actually exported by your companies from Dubai
3 to Iran?

4 A. My companies, nor I, have never sent any food to Iran.

5 Q. Okay. Do you see where it says, Exporter?

6 A. Yes, sir.

7 Q. What does that mean?

8 A. It's the field where the name of the company exporting the
9 food products would be written down.

10 Q. And then do you see further down where it says, Marks and
11 Number, in the second row?

12 A. Yes, sir.

13 Q. What is that a reference to?

14 A. Perhaps it was the code of the product or something.

15 Q. Okay. And the next column over, where it says, G/weight?

16 A. Yes.

17 Q. Okay. And what is that?

18 A. It's the weight, the gross weight.

19 Q. Is that gross weight figure what you and Atilla were
20 discussing previously?

21 A. I did not understand the question.

22 Q. Do you remember in the prior exhibit you and Mr. Atilla
23 were talking about tonnages?

24 A. Yes, I remember that, sir.

25 Q. Would the tonnage of a shipment be reflected on this

HC4PATI2

Zarrab - Direct

1 document?

2 A. Yes. On this document here, it would be shown how much
3 products had been sent.

4 Q. And where on this document would that information be
5 reflected?

6 A. It would show up where it would say the total tonnage.

7 Q. Looking at the column, Country of Origin --

8 A. Yes, sir.

9 Q. -- what is that field supposed to represent?

10 A. The origin of the goods that were being shipped.

11 Q. Okay. And what would typically be listed in that field
12 here?

13 A. The origin of the goods that are being shipped.

14 Q. Okay. I'd like to show you what's been marked as
15 Government Exhibit 359-T for identification. Just take a
16 moment to review that.

17 A. Yes, sir.

18 Q. Do you recognize this exhibit?

19 A. Yes, I recognize it, sir.

20 Q. What is it?

21 A. It's the transcript of a phone conversation.

22 Q. Do you remember this call?

23 A. Yes, I remember, sir.

24 MR. KAMARAJU: Your Honor, if I could have one quick
25 second.

HC4PATI2

Zarrab - Direct

1 (Pause)

2 Q. Did you participate in this call?

3 A. Yes, sir.

4 Q. Have you listened to a recording of this conversation?

5 A. Yes, I listened to it, sir.

6 Q. Did that recording accurately capture your conversation in
7 Turkish?

8 A. Yes, it reflected, sir.

9 Q. Who were you speaking with during this call?

10 A. Abdullah Happani.

11 Q. Did he work for you?

12 A. Yes, sir.

13 Q. And what was the general nature of this call?

14 A. Based on what I could see on this page, it appears that
15 it's about funds that were being sent, and it seems that some
16 funds had not been sent out of Halkbank yet, and we're just
17 talking about slowing that down, that kind of thing.

18 (Continued on next page)

19

20

21

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23

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HC4PATI2

Zarrab - Direct

1 HC43ATI3

Zarrab - Direct

2 Q. So, those are related to the business you were doing at
3 Halkbank?

4 A. Yes, sir.

5 MR. KAMARAJU: The government would offer Government
6 Exhibit 359-T and ask to be able to play the audio, which is
7 marked 359-A.

8 MR. ROCCO: Subject to connection.

9 THE COURT: Sure. Did you also mean to play the prior
10 call?

11 MR. KAMARAJU: We had played that on Friday, your
12 Honor.

13 (Government's Exhibit 359-T received in evidence)

14 (Audio recording playing)

15 Q. Mr. Zarrab, do you remember that call?

16 A. Yes, sir, I remember it.

17 MR. KAMARAJU: Can we start at page two.

18 Q. Do you see near the bottom of the page, where Happani says,
19 "I mean, I have 23 million TL there, I have 4 million euros, I
20 mean, we're waiting for their things. Oh, did you say
21 Suleyman?"

22 A. Yes, I see that, sir.

23 Q. What did you understand him to be saying there?

24 A. What Mr. Abdullah Happani is saying and referring to is
25 that we had received 23 million Turkish liras and 4 million

HC4PATI2

Zarrab - Direct

1 euros at the bank, but that we had not removed out of the bank
2 yet.

3 Q. What did you understand him to mean when he said, "Oh, did
4 you say Suleyman?"

5 A. Earlier in this conversation, just above this, there was a
6 mention of Suleyman by me, so he's just asking so what did you
7 mean by that.

8 Q. How do you respond?

9 A. I'm saying that we would be sending money to him tonight.

10 Q. Why would you send him money?

11 A. So, based on the agreement that we had made, the agreement
12 that we had had back in 2012, I was sending certain amounts as
13 agreed upon, based on the transactions to Mr. Suleyman as
14 bribe.

15 Q. Do you see where Happani asks you "How much are you going
16 to send?"

17 A. Yes, sir; I see that, sir.

18 Q. And you respond "I don't know. Take a look at what we came
19 in through food and such."

20 A. Yes, I see that.

21 Q. And then you go on to say "In total. Let's calculate
22 something based on that and send it out."

23 A. Yes, I see that, sir.

24 Q. What did you mean by that?

25 A. What I'm saying here is that look at all the transactions

HC4PATI2

Zarrab - Direct

1 from Iran, a total of that, including food and everything, and
2 there would be a profit that would be generated from the
3 incoming amounts. I'm just telling him to calculate something
4 based on the incoming amounts and send something accordingly.

5 Q. Do you see where you say on that same page near the top
6 "That's because Suleyman does all -- all of the coordination at
7 the moment."

8 A. Yes, I see that, sir.

9 Q. What did you mean by that?

10 A. So, what I'm saying here is that since Mr. Suleyman is at
11 the top of the bank, and that he has charge of the bank, so I'm
12 saying he has all the power, all the control, and all the
13 coordination with regards to work.

14 MR. KAMARAJU: Can we turn to page four.

15 Q. Do you see near the top where you say, "You were careful
16 about those things, the bills of lading that you just turned
17 in, right?"

18 A. Yes, sir, I see that.

19 Q. What were you saying there?

20 A. So, what I'm saying here is that after the warning that I
21 had received and that I had conveyed to my staff, about the --
22 the numbers that were not matching in terms of tonnage on the
23 bills of lading, I'm just saying are you pay attention to those
24 now, are you making sure that they are in compliance.

25 Q. Which warning are you referring to?

HC4PATI2

Zarrab - Direct

1 A. I'm talking about the warning from Mr. Hakan Atilla.

2 Q. Mr. Zarrab, was there a time when you were using both the
3 gold and food systems?

4 A. Certainly.

5 Q. Was that after the bank had told you that gold would come
6 to an end?

7 A. Certainly. We did not do any food transactions or food
8 trade until which time when we had heard that we would get into
9 issues with the gold trade.

10 Q. I'd like to show you what's been marked for identification
11 as Government Exhibit 269-T.

12 THE COURT: We're going to take a two-minute break and
13 excuse the jury.

14 (Recess)

15 (Jury present)

16 THE DEPUTY CLERK: I remind you that you're still
17 under oath.

18 THE WITNESS: Yes, ma'am.

19 MR. KAMARAJU: May I proceed, your Honor?

20 THE COURT: Sure.

21 BY MR. KAMARAJU:

22 Q. I believe when we broke, Mr. Zarrab, we were looking at
23 Government Exhibit 269-T.

24 A. Yes, sir.

25 Q. Do you recognize that exhibit?

HC4PATI2

Zarrab - Direct

1 A. Yes, I recognize it, sir.

2 Q. What is it?

3 A. It's a transcript of a phone conversation, sir.

4 Q. Do you remember this call?

5 A. Yes, sir, I remember it.

6 Q. Did you participate in it?

7 A. Yes, sir, I participated.

8 Q. Who else participated in it?

9 A. It's me, and the female individual, the secretary that had
10 transferred the call, and Mr. Hakan Atilla.

11 Q. Have you listened to a recording of this call?

12 A. Yes, sir.

13 Q. Did the recording accurately capture your conversation in
14 Turkish?

15 A. Yes, sir.

16 Q. Did this call relate to your business at Halkbank?

17 A. Yes, sir.

18 MR. KAMARAJU: Your Honor, the government offers
19 Government Exhibit 269-T, and ask for permission to publish the
20 transcript and play the audio.

21 THE COURT: That's allowed.

22 (Government's Exhibit 269-T received in evidence)

23 (Audio recording playing)

24 Q. Mr. Zarrab, do you remember that call?

25 A. Yes, I remember it.

HC4PATI2

Zarrab - Direct

1 Q. Do you see about in the middle of the page where Atilla
2 says "I have a request, it is with regard to the trade that
3 took place previously."

4 A. Yes, sir.

5 Q. What do you understand that to mean?

6 A. It is the gold trade, sir.

7 Q. What was Atilla asking you?

8 A. It just means that the transaction had not been closed, and
9 the gold had been received, and the money had been taken out of
10 Halkbank, but the export had not been carried out yet. So this
11 is a reference to closing out that transaction where the export
12 was pending.

13 In other words, the documents pertaining to the gold
14 in the export had not been submitted to the bank at this point
15 yet.

16 Q. Why did you need to submit documents to close out a
17 transaction?

18 A. All the transfers that come into my accounts at Halkbank,
19 every single one of them need to be closed through some trade
20 transaction. So, those that pertain to gold trade, they need
21 to be closed through documentation provided with gold export.
22 And those that pertain to food trade, then they would be closed
23 with documentation such as the one that you had shown earlier,
24 like the bill of lading, like that example document, those
25 would be provided for that to close the food trade transaction.

HC4PATI2

Zarrab - Direct

1 Q. So, was it a regular part of your business to submit those
2 kinds of documents to Halkbank to close transactions?

3 A. Certainly. This is the last leg for the transaction. It
4 is the last leg of the transaction at Halkbank, the
5 documentation being submitted to the bank needs to be done --
6 this cannot be done without this leg. So it is an important
7 part of the transaction.

8 Q. So was there a process for your business and Halkbank to
9 make sure that the documents that were necessary to close the
10 transaction had been submitted?

11 A. Yes, that was an important part of it.

12 Q. Were you personally involved in that process?

13 A. As shown in the example here, I was getting involved
14 whenever there was some problem with the transaction or some
15 delay or any issue between the branch staff and my own staff,
16 that's when I would get involved.

17 Q. Were you personally involved in the underlying interactions
18 between the branch staff and your staff?

19 A. So, that would be rare with regards to anything involving
20 the branch. I was mostly involved in things at the
21 headquarters level.

22 Q. Were you generally aware of what the process at the branch
23 entails?

24 A. Yes, I know.

25 Q. Did your business regularly receive documents from Halkbank

HC4PATI2

Zarrab - Direct

1 as part of that process?

2 THE INTERPRETER: Could you repeat that question,
3 please.

4 Q. Sure. Did your business regularly receive documents from
5 Halkbank as part of the closing process?

6 A. Now, I don't know how frequent that was happening, but of
7 course there was a need for them to communicate, to come to an
8 agreement about what had been submitted, what had been
9 submitted correctly to what had been missing, so that
10 communication was there.

11 Q. Were you generally aware of what kind of documentation
12 might be involved in those communications?

13 A. Certainly. They would be the documents that would pertain
14 to the transactions that are coming to the bank from Iran.

15 Q. As part of your business, did you rely on documentation
16 provided to you from Halkbank?

17 A. I could not understand the question completely. If you can
18 repose.

19 Q. As part of your business, did you rely on documents
20 provided to your business by Halkbank?

21 A. Certainly.

22 Q. I'd like to show you what has been marked for
23 identification as Government Exhibit 2511. Do you recognize
24 this document?

25 A. Yes, sir.

HC4PATI2

Zarrab - Direct

1 Q. What is it?

2 A. It is an e-mail that was sent from personnel that deals
3 with the bank records at the Halkbank to my personnel that
4 deals with the transactions.

5 Q. Which of your personnel is reflected on this document?

6 A. Sinem, who was working with me during that time period, and
7 also Umut Bayraktar, who was another employee who was working
8 with me during that period.

9 Q. Do you recognize the domain RoyalTK.com?

10 A. Yes, sir, that's the domain that we use for our company's
11 e-mail communications.

12 Q. Your employees that are reflected in this e-mail, were they
13 involved -- withdrawn.

14 Your employees that are reflected on this e-mail, did
15 their duties include being part of the closing process?

16 A. Yes, sir. In other words, it was related to the sending of
17 the documents in order to close the transaction at the bank.

18 Q. I'd like to show you what had been marked as Government
19 Exhibit 2511-1 for identification. Do you recognize the
20 document?

21 A. Yes, sir, I recognize it.

22 Q. Is this an example of the kind of document your company
23 would receive from Halkbank as part of the closing process?

24 A. Yes, sir. This is the system that would show the Iranian
25 trade that I was doing with Halkbank.

HC4PATI2

Zarrab - Direct

1 Q. What type of information is generally reflected on 2511-1?

2 A. The company that sends the funds, the amount --

3 THE COURT: Maybe you can go through the column
4 headings since it's in Turkish.

5 MR. KAMARAJU: My plan had been to publish it for the
6 jury, to go through the headings.

7 MS. FLEMING: My objection is to foundation and
8 hearsay.

9 THE COURT: It's going to come in either way.

10 MR. KAMARAJU: The government would offer Government
11 Exhibit 2511-1 and ask to publish it to the jury subject to
12 connection.

13 THE COURT: I'll allow it.

14 (Government's Exhibit 2511-1 received in evidence)

15 Q. Let's start with column A.

16 A. Yes, sir.

17 Q. What is column A?

18 A. Column A would be the name of the Iranian company that is
19 sending money to the company that's owned by me, Royal
20 Maritime.

21 Q. So, for example, what is Bank Keshavarzi?

22 A. Bank Keshavarzi is an Iranian bank, sir.

23 Q. Let's look at column B. What's column B?

24 A. That's the date that the payment had been sent, sir.

25 Q. And let's move on to column C, what's that?

HC4PATI2

Zarrab - Direct

1 A. That would be the reference for wire transfer that was
2 sent, sir.

3 Q. And column D?

4 A. So, that would be the amount that had been sent from Iran.

5 Q. What is column E?

6 A. That would be the number for the pro forma invoice.

7 Q. Remind us what is a pro forma invoice?

8 A. When funds are sent to us from Iran, since the amount
9 that's being sent needs to be matched to a trade, either in
10 gold or in food, regarding that, when the money is being sent
11 we would provide a pro forma number to Iran. This pro forma
12 number would be indicated under the description section of the
13 message that would be sent from the Iranian bank as the money
14 is sent to us to -- in the message to Halkbank as the money is
15 sent to us.

16 And the documents that we provide to the bank would
17 match up with that number that was provided.

18 Q. Let's turn to the next column, column F. What's that?

19 A. That would be the total amount in U.S. dollar equivalency.

20 Q. What do you mean by that exactly?

21 A. In other words, it would show the U.S. dollar equivalency
22 for all of the amounts that they had sent.

23 Q. What about column G, what's that?

24 A. And that would show the amount that needs to be closed in
25 the euro currency in terms of the amount of money that was sent

HC4PATI2

Zarrab - Direct

1 in total.

2 Q. I'd like to show you what's been marked for identification
3 as Government Exhibit 2511-2. Do you recognize this document?

4 A. Yes, sir.

5 Q. Is this an example of the kinds of documents you would get
6 as part of the closing process from Halkbank?

7 A. Yes, sir. This is a version of the document that in this
8 case would show more detail about the transactions.

9 MR. KAMARAJU: The government would offer Government
10 Exhibit 2511-2 subject to connection and ask to publish it.

11 MS. FLEMING: Objection foundation and hearsay.

12 THE COURT: I'll allow it.

13 (Government's Exhibit 2511-2 received in evidence)

14 Q. Let's do the same thing with this document. Let's start
15 with column A. What is column A?

16 A. That would be name of the company that is sending funds
17 from Iran to my company, Royal Maritime.

18 Q. What is column B?

19 A. The amount that pertains to the trade, in this case this is
20 gold, so that's the amount of gold.

21 Q. Do you see in column B at the top where it says GR in
22 parentheses?

23 A. You mean column B?

24 Q. Yes. Column B, row 3.

25 A. Yes, sir.

HC4PATI2

Zarrab - Direct

1 Q. What is GR?

2 A. It's the amount of gold in grams.

3 Q. What is column C?

4 A. That's the unit price, sir.

5 Q. The unit price per any particular calculation?

6 A. Certainly. So it's in terms of the gold price, this would
7 be the unit price pertaining to the amount that was shown. So
8 this is the unit price for the unit that's shown in column B.

9 Q. What is column D?

10 A. D column is the section that shows the final destination
11 country that should be used for the export that's being carried
12 out.

13 Q. When you say used for the export that's being carried out,
14 what do you mean?

15 A. I will summarize shortly.

16 In gold trade, based on the United States embargo
17 regulations, sometimes the exports needed to show Iran as a
18 final destination point, and during the time periods where
19 there was softening in the sanctions, and that was not
20 mandatory, during those times we were also able to put down the
21 real destination point for gold, such as Dubai.

22 Q. So, for example, column D, row 5, where it says Iran for
23 Azar Rahbar.

24 A. Yes, sir.

25 Q. Was there gold actually shipped to Iran as part of that

HC4PATI2

Zarrab - Direct

1 transaction?

2 A. Sir, the gold trade that I was running with Iran, the bar
3 was never sent to Iran.

4 Q. Let's look at column E. What's that?

5 A. That's the type of goods.

6 Q. And what's reflected in column E, row 5, as the type of
7 good?

8 A. It's gold bars, sir.

9 Q. What about column F?

10 A. It is the date for the commercial invoice, sir.

11 Q. And column G?

12 A. And that's the invoice number for that.

13 Q. Let's just keep going to the right. Column H.

14 A. And that's the date for the customs declaration, sir.

15 Q. And column I?

16 A. That would be the number for the customs declaration, sir.

17 Q. What's column J?

18 A. The amount that is on the invoice in terms of its U.S.
19 dollar equivalent.

20 Q. And column K?

21 A. And that would be the amount in euro currency.

22 Q. What about column L?

23 A. That would be the U.S. dollar equivalent.

24 Q. And --

25 A. For the total.

HC4PATI2

Zarrab - Direct

1 Q. What about column M?

2 A. And the M column would show that total in euro currency
3 now.

4 So if you were to look on the 15th row of this, so
5 between rows 5 and 15, the moneys that had been received from
6 Azar Rahbar company, the total for that, is shown on 15-M as a
7 total.

8 Q. What's the total listed there?

9 A. That would be 24,435,896 euros.

10 Q. I'd like to show you what's been marked for identification
11 as Government Exhibit 2511-3. What is this document?

12 A. So this would be the same template, this would be the Safir
13 Gold version of the Royal Maritime document that was there.
14 And Safir is a company that I own.

15 Q. So, this document has the same information in it but for a
16 different company?

17 A. Yes, it is exactly the same.

18 MR. KAMARAJU: The government would offer Government
19 Exhibit 2511-3, subject to connection.

20 MS. FLEMING: Objection. Foundation and hearsay.

21 THE COURT: I'll allow it.

22 (Government's Exhibit 2511-3 received in evidence)

23 Q. I'd like to show you what's been marked for identification
24 as Government Exhibit 2511-4. What's this?

25 A. This is the Excel table that shows the detailed view in the

HC4PATI2

Zarrab - Direct

1 same way as it was shown earlier for the other.

2 Q. So, does this document show the same information but for a
3 different company?

4 A. Yes, but the destination point here would be shown
5 different.

6 MR. KAMARAJU: The government would offer Government
7 Exhibit 2511-4 subject to connection.

8 MS. FLEMING: Objection, lack of foundation and
9 hearsay.

10 THE COURT: I'm going to allow it.

11 (Government's Exhibit 2511-4 received in evidence)

12 MR. KAMARAJU: Can we publish that for the jury,
13 please.

14 Q. Mr. Zarrab, do you see column D?

15 A. Yes, sir.

16 Q. I think it says Varis Ulkesi?

17 A. Yes, sir.

18 Q. What does that represent?

19 A. That's the final destination point for the gold.

20 (Continued on next page)

21

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23

24

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HC4PATI4

Zarrab - Direct

1 Q. Now, could we scroll down to row 2429, please. Okay. So
2 remind us what column A represents again?

3 A. That's the name of the company that is sending money to us
4 from Iran, sir.

5 Q. Okay. And who is the customer reflected in row 2429?

6 A. It is Toseh Tejarat, sir.

7 Q. What is that?

8 A. It is the front company that is being used by Sarmayeh
9 Exchange that was shown on the gold diagram that I had drawn
10 earlier.

11 Q. Let's scroll over to column D for that same row.

12 A. Yes, sir.

13 Q. What's listed as the country of destination here?

14 A. Iran, sir.

15 Q. And what's the date of the transaction?

16 A. The date of the transaction, although it would not show it
17 here, this is the date for the invoice, which is April 24,
18 2012. In the other document, I would be able to see the
19 transaction date, but what I can say is there would not be much
20 of a difference between the incoming date and the invoice date;
21 so they would be close together.

22 Q. Let's scroll down to -- well, just to be clear, what is the
23 invoice date, then, for this transaction?

24 A. It is 4-24-2012, sir.

25 Q. Now, let's scroll down, please, to row 2474, and who is the

HC4PATI4

Zarrab - Direct

1 Iranian customer for this transaction?

2 A. It's the same, Toseh Tejarat, sir.

3 Q. And what's listed here as the country of destination?

4 A. United Arab Emirates, sir, in other words, Dubai.

5 Q. And what is the invoice date for this transaction?

6 A. It is 8-3-2012, sir.

7 Q. Okay. And can we now scroll down to 3057, please. Who is
8 the customer in this transaction?

9 A. It's Toseh Tejarat, sir.

10 Q. What is listed as the country of destination here?

11 A. It's Iran, sir.

12 Q. What is the invoice date for this transaction?

13 A. It's 2-21-2013, sir.

14 Q. Okay. For the three transactions that we just looked at,
15 was the gold involved in those transactions all shipped to the
16 same country?

17 A. All the documentation, no, but in reality, yes.

18 Q. Okay. So let's talk about reality. In reality, what
19 country was the gold shipped to?

20 A. All of the gold involved in real trade was exported to
21 United Arab Emirates.

22 Q. So why did the documentation sometimes list it as going to
23 Iran?

24 A. This is not something that involves me or my personnel. In
25 other words, this is not something that would be decided by

HC4PATI4

Zarrab - Direct

1 myself or my personnel. This is something that comes from the
2 bank.

3 Q. Who did you discuss it with at the bank?

4 A. There were times that I discussed it with Suleyman Aslan,
5 and there were times that I discussed it with Mr. Hakan Atilla.

6 MR. KAMARAJU: Can we please bring up Government
7 Exhibit 229-T, and this has been previously admitted; so I ask
8 that we publish it from page 2.

9 And, your Honor, this is one of the calls that we had
10 previously not played the recording for; so I would ask to be
11 able to play the recording?

12 THE COURT: Okay. Do you want to start with that?

13 (Audiotape played)

14 BY MR. KAMARAJU:

15 Q. Mr. Zarrab, do you remember having that call?

16 A. Yes, sir.

17 Q. And who were you speaking with?

18 A. It's Abdullah Happani and myself, sir.

19 Q. And does Government Exhibit 229-T capture the Turkish part
20 of that conversation?

21 A. I did not understand that question, sir.

22 Q. Sure. Is Government Exhibit 229-T an accurate reflection
23 of that conversation?

24 A. Yes, sir, it reflects so.

25 Q. Okay. Do you see at the top where you say: "I talked to

HC4PATI4

Zarrab - Direct

1 Hakan"?

2 A. Yes, sir, I see it.

3 Q. Who is Hakan?

4 A. Hakan Atilla, sir.

5 Q. Do you see a little later down where you say: "Also, call
6 that Mr. -- Mr. Zihni and tell him that Mr. Riza had talked to
7 Mr. Hakan, and that there was a problem but it has been
8 resolved"?

9 A. Yes, I see that, sir.

10 Q. Who is Mr. Hakan?

11 A. Hakan Atilla, sir.

12 Q. And what did you mean when you said "there was a problem
13 but it has been resolved"?

14 A. So since the final destination point for gold was not
15 determined yet, whether it should be Iran or Dubai, that needed
16 to be clarified.

17 Q. When you say the final destination needed to be clarified,
18 are you referring to documents?

19 A. Certainly. I'm talking about what should be shown on the
20 document, whether it's Dubai or Iran.

21 Q. And what had you spoken about with Atilla?

22 A. So he was going to look into it and research it, whether it
23 should be Iran or Dubai. For us, it was easier for us to write
24 down United Arab Emirates.

25 Q. Why would it be easier?

HC4PATI4

Zarrab - Direct

1 A. Because when the final destination point indicated on the
2 document showed the actual, the real destination point, we were
3 able to use a shipment company in order to send the gold. And
4 during those periods when we could send gold with a shipping
5 company, the sending or shipment of the gold was costing us
6 much less, and we were also able to insure it, and we were able
7 to send it in a more secure way.

8 Q. Why would writing Iran on the declaration prevent you from
9 using a shipping company?

10 A. Because a shipping company could not write Iran on a
11 document when the goods are being sent to Dubai. This was a
12 technical issue, and the only way that we could send it that
13 way was through couriers.

14 Q. Do you see later on on this call, where you say: "Umm, for
15 the exports" -- it's near the top. You say: "Umm, for the
16 exports write 'Transit to Iran through Dubai' on the
17 declarations again. It may become necessary for you to go back
18 to passengers again"?

19 A. Yes, sir.

20 Q. What did you mean there?

21 A. What I'm saying here is that you should write "transit to
22 run through Dubai" on the customs declarations because we may
23 need to go back to the passengers again.

24 Q. And why were you instructing him to write "transit to Iran
25 through Dubai"?

HC4PATI4

Zarrab - Direct

1 A. Because at the request of the bank, we may need to change
2 the final destination point that was being shown as Dubai to
3 show as Iran.

4 Q. And who did you speak with at the bank about that?

5 A. Previously, I had talked to Mr. Suleyman Aslan, and I had
6 also talked with Mr. Hakan Atilla.

7 Q. Okay. Do you see where Happani responds: "That would be
8 bad"?

9 A. Yes, I see that, sir.

10 Q. Why would it be bad?

11 A. Because the cost would increase, that's number one. And as
12 a second point, when we go back to couriers and we look at the
13 amount involved in gold trade, for example, in order to be able
14 to export 500 kilograms in a day, there was a need for 15
15 people. So operationally, this is very difficult and it's very
16 costly.

17 Q. Do you see where you respond: "Brother, there is no other
18 way. That is what the regulations indicate. Do that for ten
19 days -- for a week"?

20 A. Yes, sir; I see that.

21 Q. What did you mean?

22 A. So I'm trying to explain to Abdullah, it's not like it's up
23 to me. This is the request from the bank, and whatever we
24 gotta do, we gotta do.

25 Q. How did you learn that that is what the regulations

HC4PATI4

Zarrab - Direct

1 indicate?

2 A. I mean, with -- when I had conversed with Mr. Hakan, he had
3 said that he was still looking into it, and he would report on
4 it.

5 Q. Okay. And when you say Mr. Hakan, who are you referring
6 to?

7 A. Mr. Hakan Atilla.

8 Q. And what regulations are you referring to?

9 A. I'm talking about the embargo regulations.

10 Q. Which embargo?

11 A. The embargo and sanctions of the United States.

12 Q. Now, do you see where you say: "They should, umm, review
13 the regulations. This is what the regulations say at the time.
14 Okay?"

15 A. Yes, sir; I see that.

16 Q. What did you mean by that?

17 A. So I'm saying the bank should look into the regulations
18 and, right now, that's what the regulations say.

19 MR. KAMARAJU: Your Honor, I'm not sure what time you
20 plan to take a lunch break. I was going to change to another
21 section.

22 THE COURT: We'll go for another ten minutes or so.

23 Q. All right. Now, Mr. Zarrab, between -- withdrawn.

24 Mr. Zarrab, did you conduct food business with Iranian
25 oil proceeds of Halkbank?

HC4PATI4

Zarrab - Direct

1 A. I did, sir.

2 Q. Okay. And I'm going to direct your attention to
3 December 17th, 2013.

4 A. Yes, sir.

5 Q. What happened on that day?

6 A. I was detained.

7 Q. Who detained you?

8 A. It was the financial unit in Turkey.

9 Q. Okay. Were you detained by Turkish law enforcement?

10 A. Yes, sir.

11 Q. Were you ever placed in prison in Turkey?

12 A. Yes, I was later arrested and was sent to prison.

13 Q. Were you ever released?

14 A. Yes, I was released.

15 Q. How did you secure your release?

16 A. So my lawyers came, we conversed, and I was released.

17 Q. And did you make any payments in connection with your
18 release?

19 A. Yes, I did, sir.

20 Q. Were those payments bribes?

21 A. Partly.

22 Q. After you were released, did you make any efforts to
23 restart your business?

24 A. Yes, sir.

25 Q. What did you do to restart your business?

HC4PATI4

Zarrab - Direct

1 A. I talked to Halkbank again.

2 Q. Okay. So let's just start at the beginning. What happened
3 after you were released?

4 A. After a while, I got in contact with Halkbank in order to
5 be able to start the trade up again.

6 Q. Who did you speak with at Halkbank?

7 A. With the general manager of Halkbank.

8 Q. And at that time, who was with the general manager of
9 Halkbank?

10 A. Mr. Ali Fuat Taskinoglu.

11 Q. What happened to Suleyman Aslan?

12 A. So while I was in prison, after the 17th of December 2013,
13 the general manager of the bank, Suleyman Aslan, was changed.
14 Mr. Suleyman was also in prison.

15 Q. Okay. What did you speak with Taskinoglu about?

16 A. I said I wanted to continue with my business in the same
17 system again.

18 Q. And how did he respond?

19 A. So we held a meeting that included a few individuals from
20 the branch where we were banking and also some individuals from
21 the foreign transactions department at headquarters. In other
22 words, Mr. General manager sent me to another floor for foreign
23 transactions.

24 Q. And do you remember who was at that meeting?

25 A. Yes, there were a few people from the branch and Mr. Hakkan

HC4PATI4

Zarrab - Direct

1 Aydogan was there.

2 Q. Was Levent Balkan there?

3 A. No, sir. Mr. Levent Balkan was not working at Halkbank at
4 that time.

5 Q. What did you talk about at that meeting?

6 A. We talked about the documents, the documentation system
7 that would be needed at the bank in order to restart the
8 business.

9 Q. And what kinds of documents were those?

10 A. Well, I cannot remember because the list was so long.

11 Q. Okay. Were there any documents in particular that
12 concerned you?

13 THE INTERPRETER: Could you repeat that, please.

14 Q. Yes. Were there any documents in particular that concerned
15 you?

16 A. For example, they were asking us to do the trade through
17 letters of credit.

18 Q. Okay.

19 A. And as far as documentation, there were many other
20 documents as well.

21 Q. Okay. What did you do then?

22 A. I left the bank, and then I had a conversation with
23 Mr. General Manager again, and I gave information to
24 Mr. General Manager about the documents that I would not be
25 able to submit.

HC4PATI4

Zarrab - Direct

1 Q. What did you tell him?

2 A. So I said the letter of credit would not work. I would not
3 be able to continue with the transaction involving a letter of
4 credit, and I stated that I could do it with the existing --
5 with the way that it was working in the past. In that system,
6 I could do it.

7 Q. How did he respond?

8 A. He said he would look into it and get back to me.

9 MR. KAMARAJU: Your Honor, is this a good time or
10 should I keep going?

11 THE COURT: No, I think we will take a lunch break.
12 We'll excuse the jury. It's quarter to 1:00. I'll ask you to
13 be back at 2:00.

14 (Jury not present)

15 (Witness temporarily excused)

16 THE COURT: Okay. We'll see everybody at 2:00.

17 MS. FLEMING: Thank you, Judge.

18 MR. LOCKARD: Thank you, your Honor.

19 (Luncheon recess)
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HC4PATI4

Zarrab - Direct

A F T E R N O O N S E S S I O N

2:08 P.M.

(In open court; jury present)

THE COURT: Okay. Please be seated, everybody.

THE DEPUTY CLERK: Sir, again, before we begin, I'd
like to remind you that you're still under oath.

THE WITNESS: (In English) Yes.

MR. KAMARAJU: May I proceed, your Honor?

THE COURT: Yes.

BY MR. KAMARAJU:

Q. Now, Mr. Zarrab, I think when we broke for lunch, we were
talking about your efforts to restart your business. Do you
remember that?

A. Yes, sir.

MS. FLEMING: I'm sorry, your Honor, could the
interpreter speak louder, please.

THE COURT: Please sit down. Go ahead.

Q. Now, I believe you were testifying about a meeting you had
with Ali Fuat Taskinoglu?

THE COURT: You have to speak a little louder.

A. Yes, sir. I was talking about the meeting I had with Ali
Fuat Taskinoglu.

Q. Why don't you tell us what happened at that meeting?

A. In the second meeting, we talked about the documents that I
will submit to the bank. He told me that I have to use a

HC4PATI4

Zarrab - Direct

1 company, a different company, which I do not own, for food
2 transactions.

3 Q. Did he tell you why you needed to do that?

4 A. I think there was too much coverage in the media related to
5 the documents that I gave to -- I mean, too many documents were
6 around in the media related that they are false documents
7 before December 17.

8 Q. What media coverage are you referring to?

9 A. When I was detained on December 17, one of the allegations
10 against me was that the documents that we used were false
11 documents. That's why.

12 Q. Now, how did you respond to Ali Fuat's request?

13 A. I said, yes, all right, we can utilize a different company,
14 but I reiterated that I would like to use my own company for
15 gold trade.

16 Q. Why did you want to use your own company for gold trade?

17 A. Because there were exports in gold trades, and I would like
18 my company to be involved in those gold trades, to those
19 exports.

20 Q. Was there anything else discussed at that meeting?

21 A. He told me he will get back to me to finalize the
22 documentation issue.

23 Q. Approximately when was this meeting?

24 A. I don't remember the exact date. It was a couple of months
25 after I was released from jail. Should be like mid-2014.

HC4PATI4

Zarrab - Direct

1 Q. And when were you released from jail?

2 A. February 28th, 2014.

3 Q. So you mentioned this meeting was a few months after that;
4 is that right?

5 A. Yes, a couple of months later, yes.

6 Q. What, if anything, happened after that meeting?

7 A. We had another meeting. I had three or four meetings with
8 Mr. Ali Fuat, approximately. In one of them, Mr. Hakkan
9 Aydogan was also present, and in one of them, one of the
10 meetings, Mr. Hakan Atilla. So lastly, the bank asked for an
11 inspection certificate.

12 Q. Okay. So let's take those one by one. So you mentioned a
13 meeting with Ali Fuat where Hakkan Aydogan was there; is that
14 right?

15 A. Yes, sir.

16 Q. What did you talk about at that meeting?

17 A. The meeting was about the documentation that will be
18 submitted to the bank and also another company, which has
19 nothing to do with me, to use for food trade.

20 Q. Okay. And what was the purpose of that other company?

21 A. In the trade that was after I was detained and released, it
22 was not appropriate for me to be seen as the owner of a company
23 which is doing the food trade.

24 Q. You also mentioned a meeting with Ali Fuat in which Atilla
25 was present; is that right?

HC4PATI4

Zarrab - Direct

1 A. Yes, sir.

2 Q. And can you tell us what was discussed at that meeting?

3 A. In that meeting, the inspection certificate demand from the
4 bank was discussed.

5 Q. And what do you mean by the inspection certificate demand?

6 A. In addition to all the previous documents that we have
7 already submitted to the bank, in addition to the documents
8 that we have submitted before my arrest, with the
9 recommendation of Mr. Hakan, an inspection certificate was also
10 demanded by the bank.

11 Q. Who do you mean when you say Mr. Hakan?

12 A. Mr. Hakan Atilla.

13 Q. And what exactly is an inspection document that you were
14 talking about?

15 A. This is a document which indicates the type of the product,
16 where it was sent, where it was loaded, where it will be
17 discharged, et cetera.

18 Q. Okay. And what was the nature of the request from the
19 bank? What did they ask you specifically?

20 A. Mr. Hakan told Mr. Ali Fuat Taskinoglu that asking or
21 demanding an inspection certificate would be good for the bank
22 and for the bank's line of business.

23 Q. What do you mean "by line of business"?

24 A. For the bank to stay in the secured position related to
25 documentation, that's why.

HC4PATI4

Zarrab - Direct

1 Q. Did you respond?

2 A. Yes, sir.

3 Q. What did you say?

4 A. I said, okay, yes.

5 Q. Now, at this time, had you begun planning to physically
6 send food products?

7 A. No, sir.

8 Q. How would you get an inspection report?

9 A. A couple of -- the names of a couple of companies were
10 discussed which were used by the Iranians.

11 Q. Okay. Tell us about that discussion?

12 A. There were a couple of companies which were used by the
13 Iranians, which also the bank was familiar with. The names
14 were SGS, Kotechna and Baltic and those names were discussed in
15 that meeting.

16 Q. And who brought those names up?

17 A. These names were among the names that were accounted by
18 Mr. Hakan Atilla that they are favorable by the bank.

19 Q. Now, did you say, during that meeting, that you would now
20 be physically sending food?

21 THE COURT: That you would what?

22 Q. That you would now be physically sending food?

23 A. No. I never spoke about that subject, no.

24 Q. Did you tell anybody, during that meeting, that you would
25 be making physical exports of food?

HC4PATI4

Zarrab - Direct

1 A. In none of the meetings that I have made after
2 December 17th with the bank, I never mentioned that I'm going
3 to do physical food exports because there was no such subject.

4 Q. What do you mean by that?

5 A. Because I have never sent physical food products to Iran.

6 Q. What, if anything, happened after that meeting?

7 A. We continued our gold and food trade right where we left
8 it.

9 Q. So the bank agreed to continue working with you?

10 A. Yes, sir.

11 Q. Now, did you agree to bribe anyone at the bank after that?

12 A. I have never bribed any Halkbank employee after
13 December 17.

14 Q. So to be specific, did you offer bribes to Ali Fuat?

15 THE INTERPRETER: I'm sorry?

16 Q. Did you offer bribes to Ali Fuat?

17 A. Neither I made any propositions to Ali Fuat Taskinoglu to
18 give him a bribe, nor did he ever ask me to do something like
19 that.

20 Q. Were you able to restart your business at Halkbank?

21 A. Yes, sir. Yes. I continued my trade in the old fashioned
22 way.

23 Q. And when you say "the old fashioned way," what are you
24 referring to?

25 A. With gold and food.

HC4PATI4

Zarrab - Direct

1 MR. KAMARAJU: Your Honor, may I approach?

2 THE COURT: Sure.

3 Q. I'm showing you what's been marked for identification as
4 Government Exhibit 6022, 6018, 6031, 6021, 6023, and 6027.

5 Maybe if we could pull that up on the screen for the
6 witness, the Court and defense counsel.

7 So let's start with Government Exhibit 6022?

8 A. Yes, sir.

9 Q. Do you recognize what this is?

10 A. Yes, I recognize this.

11 Q. What is it?

12 A. This is an electronic mail, sir.

13 Q. Who is the e-mail from?

14 A. "Asghari" n.asghari@ex-sa.com.

15 Q. Do you recognize that domain?

16 A. Yes, I know, sir.

17 Q. What is that domain?

18 A. This is a domain name used by Sarmayeh Exchange.

19 Q. How do you know that?

20 A. Because we have received a lot of e-mails, and this is a
21 company that we work with, and I also receive personal e-mails
22 from that domain, that's how I know it.

23 Q. Do you know this specific e-mail address?

24 A. Is the question whether if I know the Asghari address?

25 Q. Yes.

HC4PATI4

Zarrab - Direct

1 A. No, I don't know specifically Asghari as an address.

2 Q. Now, can you go down to the "to" line?

3 A. Yes, sir.

4 Q. Do you recognize that e-mail addresses on that line?

5 A. Yes, I know both of them.

6 Q. Okay. Let's start with the first one. Whose e-mail
7 address is that?

8 A. This is the e-mail address of Camellia Jamshidy. I want to
9 correct something. This is one of the addresses that is used
10 by Camellia Jamshidy. She also has other e-mail addresses.

11 Q. And who is Camellia Jamshidy?

12 A. Camellia Jamshidy is a person with the authorization rank.
13 I'm on top; after me, Mr. Abdullah, and after this,
14 Ms. Camellia works for us.

15 Q. And was she involved with your Iranian business at
16 Halkbank?

17 A. Yes. She works in the section which receives the payment
18 orders from Iran, that's what she does. She's the person, the
19 authorized person, who would carry out the payment orders that
20 are issued by the Iranians.

21 Q. Okay. Let's go to the next e-mail address on that line.

22 A. Yes, sir.

23 Q. Whose e-mail address is that?

24 A. This is a person who works for me in my company as a
25 personnel. It's Gita Taheri, that's her address.

HC4PATI4

Zarrab - Direct

1 Q. What's the date of the e-mail?

2 A. October 15, 2014, sir.

3 Q. Can we turn to the next page of the exhibit, please. Do
4 you recognize what this is?

5 A. Yes, sir.

6 Q. What is it?

7 A. This is a payment instruction or order sent by Sarmayeh
8 Exchange to our company.

9 Q. Okay. Was it a regular part of your business to receive
10 these kinds of payment instructions?

11 A. This is the first step in our business.

12 Q. And what's the purpose of this document?

13 A. This is the payment order sent by the Iranians, which is to
14 the two addresses which are indicated in this document. It's
15 basically telling me make payments to those two addresses.

16 (Continued on next page)

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HC43ATI5

Zarrab - Direct

1 Q. By addresses, what do you mean?

2 A. The end point where the money is supposed to go, it is
3 either a company or a person.

4 MR. KAMARAJU: The government would offer Government
5 Exhibit 6022.

6 MS. FLEMING: Objection. Foundation and hearsay.

7 THE COURT: I'll allow it.

8 (Government's Exhibit 6022 received in evidence)

9 Q. Could you turn to the second page of the exhibit.

10 A. Can we take the question once more, please. The number of
11 the exhibit?

12 Q. 6022.

13 A. This is the one on the screen right now?

14 Q. Yes.

15 MR. KAMARAJU: Mr. Chang-Frieden, can you blow up the
16 middle section of the document.

17 Q. Do you see, Mr. Zarrab, where it says Shanghai Huisheng
18 Plastic?

19 A. Yes, sir, I see that.

20 Q. What is that?

21 A. The receiver of the money that has to be paid. To put it
22 in a simpler way, the Iranian is telling me pay money to
23 Shanghai Huisheng Plastic Company.

24 Q. How much money are they telling you to pay?

25 A. For the specific transaction, their demand is \$92,723.

HC43ATI5

Zarrab - Direct

1 Q. Do you see the number 7702 written there?

2 A. Yes, sir.

3 Q. What does that number represent?

4 A. Every transaction, every transaction has a specific
5 transaction number which is used between Sarmayeh Exchange and
6 ourselves just to be able to keep track of that transaction.

7 Q. Is there any other payment instruction on this document?

8 A. Yes, I do, sir there is another one.

9 Q. What's the other one?

10 A. The company called P.T. South Pacific Viscose.

11 Q. How much were they supposed to be paid?

12 A. In this specific payment instruction, it's \$45,639.

13 MR. KAMARAJU: Mr. Chang-Frieden, can we please put up
14 for the witness Government Exhibit 6018.

15 Q. It is up on the screen. Do you recognize this document?

16 A. Yes, I do, sir.

17 Q. What is it?

18 A. This is an electronic mail, sir.

19 Q. Who is it from?

20 A. There are two sections, which section are you asking about?

21 Q. That's a good point. Why don't we start with the bottom
22 section.

23 A. Yes, of course, sir.

24 Q. Who is that from?

25 A. This is from a person called Alizadeh and he's sending it

HC43ATI5

Zarrab - Direct

1 if the e-mail address M.Alizadeh@EX-SA.com.

2 Q. Is that the Sarmayeh Exchange domain?

3 A. Yes, sir.

4 Q. Who is that e-mail being sent to?

5 A. It was sent to Camellia Jamshidy's e-mail address.

6 Q. Was there anybody else listed on that e-mail?

7 A. Also it was cc'd to Gita Tahery in Royal at Gmail.com.

8 Q. Now we'll look at the top section. Is that another e-mail?

9 A. This is the forwarded section of the same e-mail.

10 Q. Who forwarded the e-mail?

11 A. Camellia Jamshidy sent it from Camellia.Royal@Yahoo.com.

12 Q. Who did she send it to?

13 A. To the address of Aykut which is Aykut_Okumus@Yahoo.com.

14 Q. Do you know who that is?

15 A. Yes, sir, I know. Mr. Aykut is also one of my personnel
16 which worked for me in that period of time.

17 Q. What's the date of the e-mail?

18 A. October 13, 2014, sir.

19 Q. What's the subject of the e-mail?

20 A. SWIFT.

21 Q. What is a SWIFT?

22 A. It is a payment instruction sent by one bank to another
23 bank, it's one of the -- it's a kind of messaging between the
24 bank branches.

25 Q. Could you turn to the next page of the exhibit. Are SWIFT

HC43ATI5

Zarrab - Direct

1 messages a regular part of your business?

2 A. Yes, sir, of course, it's a way of sending money, and it's
3 how we take the money or get the money.

4 Q. Does your business regularly receive SWIFT communications?

5 A. Yes, of course, we received either the SWIFT or the
6 instruction. This is the first or the second leg of our
7 business. Sometimes the money is sent first, sometimes the
8 instruction is sent first.

9 Q. What are we looking at, at this page of the exhibit?

10 A. This is a message sent by Toseh Tejarat, which is a front
11 company for Sarmayeh Exchange bank, which was sent to Mars
12 Valuable Metals and Food Incorporated, which is owned -- which
13 is a company which is not owned by me, but controlled by me.

14 MR. KAMARAJU: Government would offer Government
15 Exhibit 6018.

16 MS. FLEMING: Objection. Foundation and hearsay.

17 THE COURT: I'll allow it.

18 (Government's Exhibit 6018 received in evidence)

19 MR. KAMARAJU: Can we publish that at page two,
20 please.

21 Q. Mr. Zarrab, do you see at the top of the message where it
22 says "sender"?

23 A. Yes, sir, I see that.

24 Q. Who is listed as the sender there?

25 A. Sarmayeh Bank, sir.

HC43ATI5

Zarrab - Direct

1 Q. Right below that, do you see where it says "receiver"?

2 A. Yes, sir. Turkish Halkbank.

3 Q. Going down below to that heading that says "message text."

4 Do you see a line that starts with 32A?

5 A. Yes, sir, I see that.

6 Q. What information is conveyed in that section?

7 A. First the value date of the transaction, the type of bank,
8 the type of currency that has been sent, the amount of the
9 money that was sent.

10 Q. The next box down, the one that starts with 50K.

11 A. Yes, sir.

12 Q. What does that field represent?

13 A. This section includes the name of the company which gives
14 the instruction and the address that this money has to be paid
15 to.

16 Q. So, is this company -- what company is listed there?

17 A. Toseh Tejarat Sarmayeh Padyar Qeshm.

18 Q. I want to make sure we're clear. Is that the company
19 that's receiving money?

20 A. No, this is the company that's sending the money out from
21 Iran.

22 Q. Let's go down to the next field. What does the field
23 "ordering institution" mean?

24 A. The bank that was sending the money, the bank that was
25 giving the payment order.

HC43ATI5

Zarrab - Direct

1 Q. Then you see it says "sender's correspondent" in the next
2 line down?

3 A. Yes, sir.

4 Q. What's listed there?

5 A. Turkish Halkbank, sir.

6 Q. The next field, see where it says "account with
7 institution"?

8 A. Yes, sir.

9 Q. What does that field represent?

10 A. This section indicates where the account of Mars Valuable
11 Metals Company is.

12 Q. What bank is listed there?

13 A. Turkish Halkbank, sir.

14 Q. What does it mean that the sender's correspondent field and
15 the account with institution field both have the same bank?

16 A. This means that the Sarmayeh Bank and Halkbank have
17 accounts in the same domain or same place. Which means that
18 this money will be taken out of the account of Sarmayeh Bank,
19 which resides at Halkbank.

20 Q. Where will the money be sent?

21 A. It will go to the account of Mars Valuable Metals and Food
22 foreign trade company account, which is also in the Halkbank.

23 Q. Finally you see where it says "beneficiary customer name"?

24 A. Yes, sir.

25 Q. What does that field represent?

HC43ATI5

Zarrab - Direct

1 A. The receiver company's account number and name of the
2 company which will receive the money, which is inside Halkbank.

3 Q. What's that company?

4 A. Mars Kiymetti Madenler Ve Gida, sir.

5 Q. I'd like to show you what's been marked for identification
6 as Government Exhibit 6031. Do you recognize the document?

7 A. Yes, yes, sir, I do.

8 Q. What is it?

9 A. It is an electronic mail.

10 Q. Who sent it?

11 A. Kamelia Jamshidy, sir.

12 Q. Who did she send it to?

13 A. Ms. Alizadeh who works at Sarmayeh Exchange.

14 Q. What is the date of the e-mail?

15 A. October 28, 2014, sir.

16 MR. KAMARAJU: Can we turn to the next page, please.

17 Q. Do you recognize this document?

18 A. Yes, of course, sir.

19 Q. What is it?

20 A. This is the account statement of Sarmayeh Exchange which is
21 in our accounting.

22 Q. When you say in our accounting, does that mean Sarmayeh
23 Exchange's account with your company?

24 A. Of course, Sarmayeh Exchange has an account in my
25 accounting department, to be able for us to follow up on the

HC43ATI5

Zarrab - Direct

1 transactions. It's some kind of a ledger.

2 Q. Who typically prepares this ledger?

3 A. The accounting department, sir.

4 Q. To be clear, is that your accounting department?

5 A. The accounting personnel who work in my company.

6 Q. What is the purpose of preparing this document?

7 A. This is a statement of account, which, like every
8 individual may have in the bank something like that, this is
9 the statement of account for Sarmayeh Bank, which is kept and
10 followed up in my company.

11 Q. What kind of information is reflected on this page?

12 A. The moneys that were sent by Sarmayeh are written here, and
13 also the moneys that we pay out according to their instructions
14 are also written here. And also the exchanges and their money,
15 the different kinds of currencies.

16 MR. KAMARAJU: Government would the offer Government
17 Exhibit 6031.

18 MS. FLEMING: Objection. Foundation and hearsay.

19 THE COURT: I'll allow it.

20 MR. KAMARAJU: Can we publish that to the jury,
21 please.

22 THE COURT: Yes.

23 (Government's Exhibit 6031 received in evidence)

24 Q. Let's just look through this first page. What is the
25 column all the way on the left, the one titled "tran. date"?

HC43ATI5

Zarrab - Direct

1 A. The transaction date.

2 Q. Then do you see where it says "type" in the next column?

3 A. Yes.

4 Q. What is that information?

5 A. The type of transaction, which is in our accounting
6 department.

7 Q. Then the next column titled "number," what does that mean?

8 A. It is the registration number of the transaction.

9 Q. Then the column titled "narration." What does that mean?

10 A. That's the explanation of the transaction. It is the
11 explanation of to whom it was paid, why it was paid, where did
12 the money came from, things like that.

13 Q. The next column over, do you see it says "FCy"?

14 A. It is the type of currency of the payment.

15 Q. And the next column that says "debit." What does that
16 mean?

17 A. That's the amount that we pay out.

18 Q. And the next column over is "credit." What's that?

19 A. It is the column where the money that they sent to us will
20 be indicated.

21 Q. And then the next column is "balance." What does that
22 mean?

23 A. The difference or the balance of between the money that was
24 sent and that was received.

25 Q. And then the final column, it says "sign." What is that?

HC43ATI5

Zarrab - Direct

1 A. It is the symbol to indicate whether it's a debtor or a
2 creditor.

3 Q. Do you see near the top where it says "period"?

4 A. Yes, sir, I see that.

5 Q. What does that indicate?

6 A. The period of time where this statement of account
7 indicates.

8 Q. So, the activity reflected in this account occurred within
9 that period; is that right?

10 A. Yes, sir.

11 THE COURT: Counsel, you might walk through one of
12 those transactions so we can understand it a little bit
13 clearer.

14 MR. KAMARAJU: Absolutely, your Honor. If I can turn
15 to the second to last page of the exhibit.

16 THE COURT: Okay.

17 MR. KAMARAJU: There is a transaction that's worth
18 looking at.

19 Q. So, is this a similar statement of account?

20 A. This is like a ledger of the same account statement in a
21 different money type.

22 Q. What currency is this one in?

23 A. USD.

24 Q. Is that dollars?

25 A. Yes, American dollars, sir.

HC43ATI5

Zarrab - Direct

1 Q. Could you look down at the seventh row. The transaction
2 date of October 15, 2014.

3 A. 82504 transaction number. Is that it?

4 Q. Yes.

5 A. Yes, sir.

6 Q. What is the date of this transaction?

7 A. October 15, 2014, sir.

8 Q. What is written in the -- I think you already mentioned.
9 What is the transaction number?

10 A. 82504 and the number which we have.

11 Q. I skipped one column so let's go back. Do you see where it
12 says the column for "type"?

13 A. FSN?

14 Q. Yes.

15 A. That's the type of transaction, how it was registered.

16 Q. What does FSN mean?

17 A. Foreign transactions.

18 Q. You see the one the entry right above that, CBS?

19 A. It's like an abbreviation to the exchange of currencies.
20 Which means a currency exchanged from one type of currency to
21 another one, like between dollars and euros.

22 Q. So, sticking with transaction number 82504.

23 A. Yes, sir.

24 Q. What is in the narration field?

25 A. First of all there is 7702, this is first reference between

HC43ATI5

Zarrab - Direct

1 Sarmayeh Exchange and my company. And the name of the company
2 which the payment will be made or has met, Shanghai Huisheng
3 Plastic Products Company.

4 Q. If we go over to the next column, it says USD, right?

5 A. Yes, sir.

6 Q. What does that indicate?

7 A. Currency type, which means that payment was made in
8 American dollars.

9 Q. Do you see the debit column for that transaction?

10 A. Yes, sir.

11 Q. What's the amount?

12 A. \$92,723.

13 Q. Let's look at the next transaction, 82505.

14 A. Yes, sir.

15 Q. What's that transaction date?

16 A. October 15, 2014, sir.

17 Q. What type of transaction is that?

18 A. That's again an international transaction.

19 Q. What is listed in the narration field?

20 A. The reference number of the transaction, and then P.T.
21 South Pacific Viscose.

22 Q. What currency is that transaction in?

23 A. Dollars, sir.

24 Q. What's the amount?

25 A. \$45,639.

HC43ATI5

Zarrab - Direct

1 Q. I'd like to turn to an earlier page. The 13th page of the
2 exhibit. I think I might have gone too far. Let's try page
3 14.

4 MR. KAMARAJU: If I may have one moment, your Honor.
5 Just make sure I have the right page.

6 Q. Mr. Zarrab, this is blown up, but can you tell what
7 currency these transactions are in?

8 A. These are euros, sir. These are made in euros.

9 Q. Do you see transaction 84653?

10 A. Yes.

11 Q. What's the date of that?

12 A. October 14, 2014.

13 Q. Do you see what's listed there, AD, in the next column?

14 A. Yes, sir.

15 Q. What does that mean?

16 A. It means advice. It is a type of transaction.

17 Q. What type of transaction is an advice transaction?

18 A. In the same accounting system, money transfer from one
19 account to another account is called advice. Like in the same
20 domain, from book to book.

21 Q. Okay. Do you see the narration field there?

22 A. Yes, I do.

23 Q. What's listed there?

24 A. There are a couple of transactions, but the top line says
25 Sarmayeh-Mars.

HC43ATI5

Zarrab - Direct

1 Q. What currency is that transaction in at the top?

2 A. Euros, sir.

3 Q. Then do you see there is a figure entered into the credit
4 column?

5 A. Yes, I see that.

6 Q. What is represented there?

7 A. This indicates the number that was sent by Sarmayeh Bank to
8 Toseh Tejarat to me.

9 Q. Are there a few such transactions reflected there?

10 A. Yes, they're all showing the same kind of thing.

11 MR. KAMARAJU: Can we turn to the next page.

12 Q. Do you see the fourth row down number 83559.

13 A. Yes, I see that.

14 Q. Let's talk about what's shown there.

15 A. They are changing, exchanging their euros to dollars, so
16 that they can cover the dollar transaction.

17 Q. Let's look at the one below that.

18 A. That's the same thing, that represents the same thing.

19 They are changing their money, their euros, 36,158.30, to
20 dollars to be able to cover the 45,639 transaction.

21 Q. So what's the amount of dollars that are involved in
22 transaction 83559?

23 A. \$97,397.

24 Q. What's the number of dollars involved in the next
25 transaction?

HC43ATI5

Zarrah - Direct

1 A. \$45,639, sir.

2 MR. KAMARAJU: Mr. Chang-Frieden, can we go back to
3 the second-to-last page of the exhibit. Can we blow up rows
4 seven and eight again.

5 Q. What do these two rows represent?

6 A. These are the transactions that we made for Sarmayeh
7 Exchange in the dollar currency.

8 Q. How many dollars are involved in transaction 82504?

9 A. Can we have the transaction number once more, please?

10 Q. Sure. 82504.

11 A. \$92,723, sir.

12 Q. How about in transaction 82505?

13 A. \$45,639.

14 Q. Is that the same amount that was reflected on the last page
15 we were looking at?

16 A. Yes, sir.

17 Q. I'd like to show you what's been marked for identification
18 as Government Exhibit 6021. Do you recognize it?

19 A. Yes, I recognize.

20 Q. What is it?

21 A. It is an electronic mail, sir.

22 Q. Who sent it?

23 A. There are three sections in that electronic mail, which
24 section are you asking about?

25 Q. Let's focus on the top section.

HC43ATI5

Zarrab - Direct

1 A. Yes, sir.

2 Q. Who sent that e-mail?

3 A. Aykut Okumus, sir.

4 Q. That person works for you?

5 A. One of the persons who were working for me in that period
6 of time.

7 Q. Who received the e-mail?

8 A. Kamelia Jamshidy, sir.

9 Q. What is the date of the e-mail?

10 A. October 15, 2014, sir.

11 Q. Can you turn to the first page -- sorry, the third page of
12 the exhibit.

13 Do you recognize this?

14 A. Yes, sir, I do.

15 Q. What is it?

16 A. That's a message.

17 Q. What kind of message is it?

18 A. It a SWIFT telex message.

19 Q. Who is listed as the sender in this SWIFT message?

20 A. Turkey Finansbank.

21 Q. Is this SWIFT message of the same kind as the ones you
22 previously testified about?

23 A. Yes.

24 MR. KAMARAJU: The government would offer Government
25 Exhibit 6021 and ask to publish.

HC43ATI5

Zarrab - Direct

1 MS. FLEMING: Objection. Foundation and hearsay.

2 THE COURT: I'll allow it.

3 (Government's Exhibit 6021 received in evidence)

4 MR. KAMARAJU: If we can publish that page.

5 I think we may have lost some of the screens but not
6 all of them.

7 THE COURT: Is the jury able to see it or no?

8 A JUROR: These two monitors are down.

9 MR. KAMARAJU: If your Honor approves, I'll hand the
10 hard copy.

11 THE COURT: Sure.

12 MR. KAMARAJU: Sorry about that. Here is another one
13 from defense counsel.

14 Q. Okay. So, you identified who the sender was. Who is the
15 receiver in this circumstance?

16 A. Standard Chartered Bank in Germany.

17 Q. Let's go down into the message text. What's the date of
18 the transaction reflected in this document?

19 A. 10/14/2014, sir.

20 Q. What currency does this transaction involve?

21 A. Euros, sir.

22 Q. What is the value of the transaction?

23 A. 2,255,000 euros.

24 Q. Who is the ordering customer in this transaction?

25 A. The information in the 50F section, Centrica General

HC43ATI5

Zarrab - Direct

1 Trading, LLC.

2 Q. Remind us, what does "ordering customer" mean?

3 A. The company who orders Turkey Finansbank to send out this
4 money.

5 Q. What is Centrica?

6 A. This is the food supplier which I used in food
7 transactions, that's a company within Halkbank.

8 Q. When you say a company within Halkbank, do you mean a
9 company that has an account in Halkbank?

10 A. Which also has an account in Halkbank, that's the company,
11 yes.

12 Q. Going down to the next field. What's listed there as the
13 account with institution?

14 A. Bank of Baroda, sir, in United Arab Emirates in Dubai.

15 Q. What's the beneficiary customer?

16 A. Centrica General Trading.

17 Q. What does it mean that the ordering customer and the
18 beneficiary are both the same?

19 A. In short, in short and simply, I'm trying to put --
20 Centrica is taking money out of its account in the Turkish bank
21 and sending the money to Bank of Baroda in Dubai.

22 By this transaction, we are forwarding the money from
23 Turkey to Dubai. We're changing, we are moving the money from
24 here to here.

25 Q. Let's be clear when you say that. Moving the money from

HC43ATI5

Zarrab - Direct

1 where?

2 A. We're taking the money from Turkey and taking -- sending it
3 to Dubai.

4 Q. I'd like to show you what's been marked for identification
5 as Government Exhibit 6023.

6 THE INTERPRETER: I'm sorry?

7 Q. I'm showing you what's been marked for identification as
8 Government Exhibit 6023.

9 Do you recognize that document?

10 A. Yes, sir.

11 Q. What is it?

12 A. It is an electronic mail, sir.

13 Q. What's the date?

14 A. 18 October, 2014, sir.

15 Q. Who sent it?

16 A. Rafique Chilwan.

17 Q. Do you know who that is?

18 A. I don't know that, no.

19 Q. Who received the e-mail?

20 A. Jafar Saeid.

21 Q. Who is that?

22 A. This is a personnel, a person who was working for me in my
23 company in Dubai called Centrica.

24 Q. You see the subject line?

25 A. Yes, sir, I do.

HC43ATI5

Zarrab - Direct

1 Q. What is it?

2 A. Al Rostamani 5 tt.

3 Q. Do you know what Rostamani is?

4 A. It is an exchange office called Rostamani Exchange, which I
5 have indicated in my schematics as I drew.

6 Q. Can we turn to the second page of the exhibit, please.

7 Blow that up.

8 Do you recognize what this is?

9 A. Yes.

10 Q. What is it?

11 A. This is a receipt given to us by Rostamani related to the
12 transaction.

13 MR. KAMARAJU: The government would offer Government
14 Exhibit 6023.

15 MS. FLEMING: Objection. Foundation and hearsay.

16 THE COURT: I'll allow it.

17 (Government's Exhibit 6023 received in evidence)

18 MR. KAMARAJU: Can we publish this page, please.

19 This time we got it?

20 A JUROR: Yes.

21 MR. KAMARAJU: Great.

22 Q. Now, Mr. Zarrab, do you see a section on this report called
23 "beneficiary details"?

24 A. Yes, sir, I see that.

25 Q. What information is identified there?

HC43ATI5

Zarrab - Direct

1 A. The company that the money is going to. The receiver of
2 the money that will be sent by Rostamani.

3 Q. What company is that in this example?

4 A. Shanghai Huisheng Plastic Products Company Limited.

5 Q. How much is being sent?

6 A. \$92,723, sir.

7 Q. What country is it being sent to?

8 A. China.

9 Q. Do you see the section below -- what bank is it being sent
10 to?

11 A. Bank of China.

12 Q. Do you see the section titled "customer details" down at
13 the bottom?

14 A. Yes, sir.

15 Q. What does that section describe?

16 A. This is the information about the company which gives this
17 instruction to Rostamani.

18 Q. Which company is that here?

19 A. Centrica General Trading.

20 Q. Is that the same company that we saw in the last document?

21 A. Yes, sir.

22 Q. Can we turn to the next page of the exhibit.

23 Let's take a look at the beneficiary detail section
24 for this. So who is the beneficiary of this transaction?

25 A. P.T. South Pacific Viscose.

HC43ATI5

Zarrab - Direct

1 Q. How much is supposed to be sent?

2 A. \$45,639, sir.

3 Q. Where is it suppose supposed to be sent?

4 A. Indonesia.

5 Q. What bank?

6 A. Bank Negara Indonesia.

7 Q. What company is listed under the customer details as
8 sending it?

9 A. Centrica General Trading, sir.

10 MR. KAMARAJU: Your Honor, I'd like to show the
11 witness what has been marked as Government Exhibit 6207 for
12 identification.

13 THE COURT: All right.

14 Q. Do you recognize this document?

15 A. Yes, sir.

16 Q. What is it?

17 A. It is an electronic mail.

18 Q. What is the date of the mail?

19 A. October 20, 2014, sir.

20 Q. Who sends the e-mail?

21 A. Kamelia Jamshidy.

22 Q. Who receives it?

23 A. Gita Tahery.

24 Q. Can we turn to the second page, please. What are we
25 looking at here?

HC43ATI5

Zarrab - Direct

1 A. That's a SWIFT message.

2 Q. Is it related to the transaction we've been discussing?

3 A. Yes, sir.

4 MR. KAMARAJU: The government would offer Government
5 Exhibit 6027.

6 MS. FLEMING: Objection. Foundation and hearsay.

7 THE COURT: I'll allow it.

8 (Government's Exhibit 6027 received in evidence)

9 MR. KAMARAJU: If we can publish to the jury beginning
10 at the second page.

11 Q. Let's just start near the top.

12 A. Let's start.

13 Q. Who is identified as the sender?

14 A. Al Rostamani International Exchange Dubai.

15 Q. What is that?

16 A. Rostamani Exchange, who is sending the money from Dubai.

17 Q. What is listed as the receiver?

18 A. Standard Chartered Bank, New York.

19 Q. What does it mean that Standard Chartered Bank is listed
20 there as the receiver?

21 A. This message, which was sent by Al Rostamani Exchange, is
22 coming to Standard Chartered Bank in New York.

23 Q. What is it telling Standard Chartered Bank to do?

24 A. It is going to tell Standard Chartered Bank in a little
25 while to make a payment to the Chinese bank.

HC43ATI5

Zarrab - Direct

1 Q. Which Chinese bank?

2 A. Bank of China, the transaction.

3 Q. Who is the ordering customer for that payment?

4 A. Can we look back down.

5 Centrica General Trading.

6 Q. Who is the beneficiary of that payment?

7 A. Shanghai Huisheng Plastic Products Company Limited, sir.

8 Q. What is the amount of the payment?

9 A. \$92,723, sir.

10 Q. What is the date of the payment?

11 A. October 21, 2014, sir.

12 Q. If we can turn to the next page. What's this?

13 A. This is SWIFT message.

14 Q. Who is the sender?

15 A. Al Rostamani International Exchange, Dubai.

16 Q. What is the receiver bank?

17 A. Standard Chartered Bank, New York.

18 (Continued on next page)

HC4PATI6

Zarrab - Direct

1 Q. Okay. And who is the ordering customer for this
2 transaction?

3 A. Centrica General Trading.

4 Q. Who's the beneficiary?

5 A. PT South Pacific Viscose.

6 Q. What's the amount of the transaction?

7 A. \$45,639.

8 Q. Could we put up Government Exhibit 6022 again and turn to
9 the second page and blow up that middle section. Tell us what
10 this is again?

11 A. It's a payment instruction sent to us by the Iranians.

12 Q. Who's the beneficiary of the first payment?

13 A. Shanghai Huisheng Plastic Product Company Limited.

14 Q. And what's the amount?

15 A. \$92,723, sir.

16 Q. Who is the beneficiary of the second transaction?

17 A. PT South Pacific Viscose, sir.

18 Q. What's the amount of that?

19 A. 45,639, sir.

20 Q. Now, Mr. Zarrab, the exhibits that we've been looking at,
21 are they all related in some way?

22 A. Yes, sir. They're all together.

23 Q. Okay. And what do you mean "they're all together"?

24 A. So it shows the legs that are followed from the beginning
25 to the end in terms of this transaction.

HC4PATI6

Zarrab - Direct

1 Q. Is that transaction an example of what you've got on
2 Government Exhibit 9503?

3 A. Yes, sir.

4 Q. Would you be able to show the jurors where those various
5 legs fit in on 9503?

6 A. Certainly, sir.

7 MR. KAMARAJU: With the Court's permission I'd ask --

8 THE COURT: We're going to take a two-minute break
9 first, and then we'll continue.

10 MR. KAMARAJU: All right.

11 (Jury not present)

12 THE COURT: Please be seated. We'll take five or ten
13 minutes.

14 (Recess)

15 MR. KAMARAJU: Your Honor, before we bring the jury
16 in, I was wondering if we could have just a two-second sidebar.

17 THE COURT: Yes.

18 (Continued on next page)

HC4PATI6

Zarrab - Direct

1 (At the side bar)

2 THE COURT: What do you have?

3 MR. KAMARAJU: Just as a matter of scheduling, after
4 Mr. Zarrab is done with this, my plan had been to play the
5 remaining audio from the calls so we can get that on the
6 record. I just want you to know we totaled it up, and it's
7 about two hours.

8 THE COURT: All of it?

9 MR. KAMARAJU: All of it together. There are some
10 calls that are 25 minutes or so, I think one or two. So I just
11 wanted to raise that before we started playing them.

12 MS. FLEMING: We don't want it all played. We just
13 want the audios to be in evidence so if the jury wants to play
14 them, they can play them.

15 MR. ROCCO: No, I'm sorry. I think they should be
16 played.

17 MS. FLEMING: Two hours?

18 MR. ROCCO: I didn't hear that part.

19 MR. KAMARAJU: We're happy to play them. I know your
20 Honor had --

21 THE COURT: I want them in; so....

22 MS. FLEMING: Plus, they've already gone through the
23 transcripts.

24 THE COURT: Do we have to do them all at the same
25 time? Do you care?

HC4PATI6

Zarrab - Direct

1 MS. FLEMING: Well, he's almost done.

2 THE COURT: No, no, but do you care if we do them all
3 at the same time?

4 MS. FLEMING: No, I don't care if we don't do them.
5 I'd rather just put them into evidence and move on.

6 THE COURT: Okay. I'll think of something. Go ahead.
7 How much more time do you have with him?

8 MR. KAMARAJU: So this may take like another 15
9 minutes.

10 THE COURT: Okay.

11 MR. KAMARAJU: And probably ten minutes, then my plan
12 had been just to do the calls and try to finish up.

13 THE COURT: So do you know the length of them?

14 MR. KAMARAJU: Yes. I think, these are roughs, there
15 are a couple that are a few minutes. Most of them are under
16 ten minutes. I think there are two of them that are a little
17 bit longer.

18 THE COURT: So do all the short ones. After that,
19 we'll see where we are then and then --

20 MR. KAMARAJU: Yes.

21 (Continued on next page)

22

23

24

25

HC4PATI6

Zarrab - Direct

1 (In open court; jury present)

2 THE COURT: Please be seated.

3 THE DEPUTY CLERK: Sir, I'd like to remind you that
4 you're still under oath.

5 THE COURT: Go ahead.

6 BY MR. KAMARAJU:

7 Q. Now, Mr. Zarrab, I think you were finished explaining that
8 all of the exhibits we looked at were sort of part of a common
9 transaction; is that right?

10 A. Yes, sir.

11 MR. KAMARAJU: With the Court's permission, I'd like
12 to have Mr. Zarrab approach Government Exhibit 9503.

13 THE COURT: Sure.

14 BY MR. KAMARAJU:

15 Q. It's okay. I'll hand you documents. You can just come
16 down here.

17 Mr. Chang-Frieden, if we could please put up
18 Government Exhibit 6022 so everybody can see it.

19 So tell us again what this is?

20 A. This is the payment instruction that we received from
21 Sarmayeh Exchange.

22 Q. Okay. And could you explain on Government Exhibit 9503
23 what stage that document relates to?

24 A. It's the blue section over here. In other words, the money
25 order that was sent from Sarmayeh Exchange to us.

HC4PATI6

Zarrab - Direct

1 Q. Okay. And I'll show you what's been marked as Government
2 Exhibit 6018.

3 Can we pull that up, too, please.

4 Now, tell us again, what is that?

5 A. These are messages pertaining to the payments that Sarmayeh
6 Exchange had made to us. So these messages are represented by
7 this line over here, and it shows the amounts that were sent
8 from Sarmayeh Bank to Halkbank, and it could be Mars but it's
9 not here. After 2014, or as of 2014, after my arrest and
10 release, I had worked with Mars, but prior to Mars it was
11 Volgam. So it would correspond with this section right here.

12 Q. Okay. So let's be clear. Where would Mars fit in on that
13 diagram?

14 A. It would be either in place of Volgam or right next to
15 Volgam, but either way, it would be within the box of Halkbank.

16 Q. Okay. What would happen pursuant to that instruction?

17 A. Just as it is mentioned in this document here, with
18 Sarmayeh Bank's order, the money from Toseh Tejarat's account
19 would go into the Mars account. And I can add Mars over here,
20 if you'd like.

21 Q. No, that's okay. And what happens after the money goes
22 into the Mars account?

23 A. Just as I had drawn here, instead of Volgam, the money
24 would go from Mars over to Centrica accounts within the
25 Halkbank.

HC4PATI6

Zarrab - Direct

1 Q. Okay. Showing you now, and if we could bring up, 6021.
2 What is that?

3 A. And this is the document, that is the message that is sent,
4 in order to get the money from the Centrica account here in
5 Turkey, such as in Türkiye Finans Bank, over to the Centrica
6 account in Dubai.

7 Q. Okay. And what was the purpose of moving it to Centrica in
8 Dubai?

9 A. It's just getting closer to its final destination. As it
10 leaves that section there, it's just reaching down to where its
11 final destination is.

12 Q. And what currency is it typically in at this point?

13 A. In general, it would be Euros in this area.

14 Q. Okay. Now, showing you what's been marked as Government
15 Exhibit 6031, what is that, again?

16 A. These are the transaction records or the transaction
17 statement for Sarmayeh Exchange that is within our group here.

18 Q. Okay. And what happens to the Euros when they get to
19 Dubai?

20 A. Once it reaches Dubai, it would be given to Dubai. The
21 money, along with the instructions, it would be given to
22 Rostamani Exchange with the instructions to be fulfilled.
23 Euros would be converted into dirhams, and the dirhams would be
24 paid to Rostamani Exchange and the transaction would go on.
25 And this would be the record of the money that had come and

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1 what would be sent out as the record of that group right here.
2 It's basically a ledger.

3 Q. Okay. Now, I'm going to show you what's been marked as
4 Government Exhibit 6027, if we could pull that up.

5 Remind us, what is that?

6 A. So this would be the documentation of Rostamani Exchange
7 asking the Standard Chartered Bank to move money into Bank of
8 China and the X company here in this case would be the Shanghai
9 Huisheng Plastic Company.

10 So what's happening is that Rostamani Exchange would
11 send instructions for Standard Chartered to move the money to
12 Bank of China, and then from Bank of China, that money would be
13 sent over to its final destination, which would be the Shanghai
14 Huisheng Plastic Company. In other words, in this example, the
15 money reached this point. In other words, the instructions up
16 here were fulfilled.

17 Q. Okay. Now, how does the payment get from Dubai to China?

18 A. Rostamani Exchange has an account with Standard Chartered
19 Bank in New York, and they have funds in that account. And
20 Bank of China also had an account with Standard Chartered in
21 New York. And in this message, what's being instructed for
22 Standard Chartered in New York is this. The message is, take
23 \$92,723 from my money and transfer it to Bank of China's
24 account so that Bank of China would make that payment to
25 Shanghai Huisheng Plastic Company.

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1 Q. And do you remember we listened to a telephone call between
2 you and Mr. Atilla where you discussed tonnages and bills of
3 lading?

4 A. Yes, sir.

5 Q. What part of the process did that pertain to?

6 A. That pertains to the list of documents that are needed in
7 order to close the transaction within Halkbank; so it certainly
8 belongs to this Halkbank box right here. So in other words, it
9 is the closing of the transaction regarding the money that was
10 taken out right here.

11 Q. Mr. Zarrab, you can return to the witness stand. Thank
12 you.

13 MR. KAMARAJU: Now, your Honor, with the Court's
14 permission, we had previously entered some transcripts. At
15 this time, we thought we'd play audio for a couple of those.

16 THE COURT: Yes. Could I see the list, and I'll
17 indicate how much time you have?

18 MR. KAMARAJU: Yes, your Honor, and I just have a
19 couple more questions after that.

20 THE COURT: Do you want to ask some questions after
21 this?

22 MR. KAMARAJU: Yes, or I could ask them now, if you
23 like.

24 THE COURT: I would ask them now, unless it's part of
25 your plan to do it later.

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1 MR. KAMARAJU: No, it's okay. I'll ask them now, your
2 Honor.

3 BY MR. KAMARAJU:

4 Q. Mr. Zarrab, when did you begin your Iranian business at
5 Halkbank?

6 A. Approximately in the beginning of 2012, sir.

7 Q. And when did you end that business?

8 A. When I was arrested in Miami in March of 2016.

9 Q. Now, was Suleyman Aslan there during that entire period?

10 A. No, sir. He was not there constantly.

11 Q. Was Levent Balkan there during that entire period?

12 A. No, sir. Mr. Levent Balkan was not there throughout the
13 whole time either.

14 Q. Was Hakkan Aydogan there during that entire period?

15 A. No, sir. Mr. Hakkan Aydogan was not there during that
16 whole time either.

17 Q. Was Ali Fuat there during that entire period?

18 A. No, sir. Mr. Ali Fuat came later.

19 Q. During that entire period, who was the deputy general
20 manager for international banking at Halkbank?

21 A. Mr. Hakan Atilla.

22 MR. KAMARAJU: Your Honor, are there certain calls
23 you'd like us to play?

24 THE COURT: All right. So what I've done is these are
25 some of the transcripts that have not been played into the

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1 record, and you may remember that I suggested that we have them
2 all in the record. So they're in Turkish, and we're going to
3 play a series of them now, just to get them into the record,
4 understanding that unless you speak Turkish, you may not
5 understand what they're saying.

6 MR. KAMARAJU: Mr. Chang-Frieden, could you bring up
7 Government Exhibit 201-T.

8 THE COURT: Counsel, you're going to indicate which
9 transcript tape that you play corresponds with it?

10 MR. KAMARAJU: I'm going to pull them up. With the
11 Court's permission, can we please play the audio for this?

12 THE COURT: Do you want to indicate just for the
13 record the date of the transcript, if you know it?

14 MR. KAMARAJU: Sure. Could we go back to the page
15 before? The date listed on the transcript is September 19th,
16 2012.

17 THE COURT: Do you know approximately how long the
18 recording is going to be?

19 MR. KAMARAJU: I believe it's about a minute and a
20 half, your Honor, and this is Government Exhibit 201-T. If we
21 can play the corresponding audio, which is marked as Government
22 Exhibit 201-A.

23 (Audiotape played)

24 MR. KAMARAJU: Your Honor, we can go on to 202-T.

25 THE COURT: Sure.

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1 MR. KAMARAJU: Mr. Chang-Frieden, if you could pull
2 that up, please. I'm not seeing a date reflected on the front.
3 This is Government Exhibit 202-T.

4 With the Court's permission, we would play Government
5 Exhibit 202-A.

6 THE COURT: Approximately how long is it?

7 MR. KAMARAJU: About a minute, your Honor.

8 THE COURT: Okay.

9 (Audiotape played)

10 MR. KAMARAJU: Now, Mr. Chang-Frieden, could we pull
11 up Government Exhibit 204-T.

12 Your Honor, the audio for this is about a minute.

13 THE COURT: Okay.

14 MR. KAMARAJU: If we could play that,
15 Mr. Chang-Frieden.

16 (Audiotape played)

17 MR. KAMARAJU: Now, your Honor, if we can go to 205-T.

18 THE COURT: Sure.

19 MR. KAMARAJU: Mr. Chang-Frieden, if you can pull that
20 up.

21 And the audio for that is two minutes.

22 (Audiotape played)

23 MR. KAMARAJU: Your Honor, if we can go to 208-T, it's
24 also about two minutes.

25 THE COURT: Sure.

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1 MR. KAMARAJU: If you can pull that up,
2 Mr. Chang-Frieden, please. Thank you.

3 (Audiotape played)

4 MR. KAMARAJU: Your Honor, the next call is 209-T.
5 It's about five minutes.

6 THE COURT: Okay.

7 MR. KAMARAJU: Bring that up and play that. Thank
8 you.

9 (Audiotape played)

10 MR. KAMARAJU: Your Honor, the next call is 211-T, and
11 it's four minutes. Okay.

12 Mr. Chang-Frieden, would you mind pulling that up and
13 playing that audio.

14 (Audiotape played)

15 (Continued on next page)

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1 MR. KAMARAJU: Your Honor, next call on the list is
2 136-T and it's two minutes. You can pull that up.

3 (Audio recording playing)

4 MR. KAMARAJU: Your Honor, the next call is 138-T and
5 it is a minute. Pull that up, Mr. Chang-Frieden.

6 (Audio recording playing)

7 MR. KAMARAJU: Your Honor, the next call is 140-T, and
8 it is about a half a minute.

9 (Audio recording playing)

10 MR. KAMARAJU: Your Honor, the next call is 244-T and
11 it is about three minutes.

12 (Audio recording playing)

13 MR. KAMARAJU: Your Honor, the next call is 297-T and
14 it is about four minutes.

15 THE COURT: That would be our last one. Let's play
16 that.

17 MR. KAMARAJU: Okay.

18 (Audio recording playing)

19 THE COURT: So, that's it for today. We're making
20 good progress. Before I give you my instructions for tomorrow,
21 tomorrow I'm planning to finish at 4, 30 so if anybody needs to
22 make any plans about that, 4:30 we'll be out.

23 And then remember my instructions between now and
24 tomorrow: First, please don't talk to each other about this
25 case or about anyone who has anything to do with it until the

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1 end of the case when you go to the jury room to deliberate on
2 your verdict.

3 Second, do not talk with anyone else about this case
4 or about anyone who has anything to do with it, until the trial
5 has ended and you've been discharged as jurors.

6 Third, please do not let anyone talk to you about the
7 case or about anyone who has anything to do with it. And if
8 someone should try and talk to you about the case, please
9 report that to Christine or me immediately.

10 Fourth, do not read any news or internet stories or
11 articles or blogs or listen to any radio or TV or cable reports
12 about the case or about anyone who has anything to do with it.

13 Lastly, please don't do any type of research or
14 investigation about the case on your own.

15 So, as I say, we're making good progress. Tomorrow
16 I'll give you an update on where I think we are. And see you
17 at 9:15. Thanks a lot.

18 (Jury excused)

19 (Witness not present)

20 THE COURT: Counsel, can I have a list of recordings
21 just to know how much time we need?

22 MR. KAMARAJU: I just placed a dot next to what's
23 already been played today.

24 THE COURT: Okay. More than a half hour left?

25 MR. KAMARAJU: I believe so because I think one of the

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1 calls is about 25 minutes on its own.

2 THE COURT: So first thing when we resume tomorrow,
3 I'll want to do a bunch of these. So I'll check them off by
4 time so you know.

5 MR. KAMARAJU: Okay.

6 THE COURT: It is a little over a half hour the ones I
7 checked off, and I'll have to figure out when that 25-minute
8 call is.

9 MR. KAMARAJU: The ones you put arrows to are the ones
10 you want to do tomorrow?

11 THE COURT: If you don't mind.

12 (Adjourned until December 5, 2017, at 9:15 a.m.)
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